



**MAKHUDUTHAMAGA  
LOCAL  
MUNICIPALITY**

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Mmogo re somela diphetogo! | Together working for change!

# **ANNUAL REPORT 2021/2022**



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## ACRONYMS

AFS	: Annual Financial Statements
AGSA	: Auditor General of South Africa
AIDS	: Acquired Immune deficiency Syndrome
ANC	: African National Congress
APSP	: African People's Socialist Party
AZAPO	: Azanian People's Organisation
BTO	: Budget and Treasury Office
CBO	: Community Based Organisation
CCTV	: Closed Circuit Television
CDW	: Community Development Worker
CFO	: Chief Financial Officer



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<b>CLLR</b>	<b>: Councillor</b>
<b>CoGHSTA</b>	<b>: Department of Cooperate Governance, Human Settlement and Traditional Affairs</b>
<b>COGTA</b>	<b>: Department of Cooperative Governance and Traditional Affairs</b>
<b>CPMD</b>	<b>: Certificate Programme in Management Development</b>
<b>CSD</b>	<b>: Central Supplier Database</b>
<b>CWP</b>	<b>: Community Works Programme</b>
<b>DA</b>	<b>: Democratic Alliance</b>
<b>DLTC</b>	<b>: Driver's License Testing Center</b>
<b>DoTCS</b>	<b>: Department of Transport and Community Safety</b>
<b>DRDLR</b>	<b>: Department of Rural Development and Land Reform</b>
<b>DSAC</b>	<b>: Department of Sports, Arts and Culture</b>
<b>ECD</b>	<b>: Early Childhood Development</b>
<b>EDP</b>	<b>: Economic Development and Planning</b>
<b>EFF</b>	<b>: Economic Freedom Fighters</b>
<b>EPWP</b>	<b>: Expanded Public Works Programme</b>
<b>ESS</b>	<b>: Employee Self Service</b>
<b>EXCO</b>	<b>: Executive Committee</b>
<b>FBE</b>	<b>: Free Basic Electricity</b>
<b>FBO</b>	<b>: Foster faith based organization</b>
<b>GBV</b>	<b>: Gender Based Violence</b>
<b>GIS</b>	<b>: Geographic Information System</b>
<b>GRAP</b>	<b>: Generally Recognized Accounting Practice</b>
<b>HIV</b>	<b>: Human Immune Deficiency Virus</b>
<b>HoD</b>	<b>: Head of Department</b>
<b>HR</b>	<b>: Human Resources</b>
<b>ICT</b>	<b>: Information Communication Technology</b>
<b>IDP</b>	<b>: Integrated Development Plan</b>
<b>INEP</b>	<b>: Integrated National Electrification Program</b>
<b>JDMPT</b>	<b>: Join District Municipal Planning Tribunal</b>
<b>JMPT</b>	<b>: Joint Municipal Planning Tribunal</b>
<b>Km</b>	<b>: Kilometer</b>
<b>LAC</b>	<b>: Local Aids Council</b>
<b>LED</b>	<b>: Local Economic Development</b>
<b>LEDA</b>	<b>: Limpopo Economic Development Agency</b>
<b>LEDET</b>	<b>: Limpopo Economic Development, Environment and</b>
<b>LGAAC</b>	<b>: Local Government Advanced Accounting Certificate</b>
<b>LGBTI</b>	<b>: Lesbian, Gay Bisexual, Transgender and Intersex</b>
<b>LGBTIQ</b>	<b>: Lesbian Gay Bisexual Transgender Intersex Queer</b>
<b>LGE</b>	<b>: Local Government Election</b>
<b>LGMIM</b>	<b>: Local Government Municipal Improvement Model</b>
<b>LGSETA</b>	<b>: Local Government Sector Education Training Authority</b>
<b>LLF</b>	<b>: Local Labour Forum</b>
<b>LUMS</b>	<b>: Land Use Management System</b>
<b>MDG</b>	<b>: Millennium Development Goals</b>
<b>MDRF</b>	<b>: Municipal Disaster Relief Fund</b>
<b>MFMA</b>	<b>: Municipal Finance Management Act</b>
<b>MFMP</b>	<b>: Municipal Finance Management Program</b>
<b>MIG</b>	<b>: Municipal Infrastructure Grant</b>
<b>MLM</b>	<b>: Makhuduthamaga Local Municipality</b>

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<b>MMC</b>	<b>: Member of Mayoral Committee</b>
<b>MoU</b>	<b>:Memorandum of understanding</b>
<b>MPAC</b>	<b>: Municipal Public Account Committee</b>
<b>MPT</b>	<b>: Municipal Planning Tribunal</b>
<b>MSA</b>	<b>: Municipal Systems Act</b>
<b>mSCOA</b>	<b>: Municipal Standard Charts of Accounts</b>
<b>N/A</b>	<b>: Not Applicable</b>
<b>NASRA</b>	<b>: National Archive Regulation of South Africa</b>
<b>NDP</b>	<b>: National Development Plan</b>
<b>NGO</b>	<b>: Non - Governmental Organisation</b>
<b>OHS</b>	<b>: Occupational Health and Safety</b>
<b>PIGF</b>	<b>: Premier's Intergovernmental Forum</b>
<b>PMS</b>	<b>: Performance Management System</b>
<b>PMT</b>	<b>: Political Management Team</b>
<b>PTO</b>	<b>: Permission To Occupy</b>
<b>RDP</b>	<b>: Reconstruction and Development Programme</b>
<b>SAMEBA</b>	<b>: South African Maintenance and Estate Beneficiaries</b>
<b>SAPS</b>	<b>: South African Police Services</b>
<b>SASSA</b>	<b>: South African Social Security Agency</b>
<b>SAWIS</b>	<b>: South African Waste Information System</b>
<b>SCM</b>	<b>: Supply Chain Management</b>
<b>SDBIP</b>	<b>: Service Delivery and Budget Implementation Plan</b>
<b>SDF</b>	<b>: Spatial Development Framework</b>
<b>SDL</b>	<b>: Skills Development Levy</b>
<b>SDM</b>	<b>: Sekhukhune District Municipality</b>
<b>SITA</b>	<b>: State Information Technology Agency</b>
<b>SMART</b>	<b>: Specific, Measurable, Achievable, Realistic and Time bound</b>
<b>SMME</b>	<b>: Small, Medium and Micro Enterprises</b>
<b>SOMA</b>	<b>: State Of Municipal Address</b>
<b>SPLUMA</b>	<b>: Spatial Planning and Land Use Management Act</b>
<b>TB</b>	<b>: Tuberculosis</b>
<b>VTS</b>	<b>: Vehicle Testing Station</b>
<b>WSP</b>	<b>: Work Skills Plan</b>

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## CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### 1. INTRODUCTION AND OVERVIEW

Makhuduthamaga Local Municipality hereby, in terms of Section 46 of Municipal System Act No.32 of 2000 (MSA) and sections 121 and 127(2) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), present to Council and community the 2021/2022 Annual Report which outlines achievements and challenges for the year under review. This chapter has been compiled in terms of Section 52(a) of the MFMA, and MFMA circular no 11 and circular 63 guidelines where the Mayor provides general political guidance over the fiscal and non-financial affairs of the municipality. The chapter deals with Mayor's Foreword, Municipal Manager's Foreword and Municipal Overview.



Mayor Cllr Minah Bahula

#### 1.1 Mayors Foreword

The financial year of 2021/2022 Council of Makhuduthamaga adopted its 2021/2022 Integrated Development Plan IDP and Budget by the end of May and the newly elected council noted the same documents on the 12/12/2021 and the Mayor signed the Service Delivery Budget and



Implementation Plan (SDBIP) to established a fresh start for the Makhuduthamaga Local Municipality, as our communities headed to voting stations to mark in favors of their political parties and candidates of their choice. I, therefore, thanks the outgoing council and welcome a new Council and the continuation of implemented and adoption of the 2022-2027 IDP and Budget, which assures an opportunity of creating and implementing new strategic goals and concrete plans to achieving service delivery. The Administration were presented with tasks to accomplish enhancements in basic service delivery within the Makhuduthamaga community in lines electricity access; road networks development; maintenance of infrastructure and sufficient collection of waste in some of areas. The political environment diversified as assorted political parties represented Makhuduthamaga Councils decision-making.

In the 2021/2022 financial year, Makhuduthamaga Local Municipality developed strategic plans, as well as sector plans to find expression in our principal strategic plan – the IDP, through which we define our developmental path. The improvements in key performance areas and unsatisfactory underperformance of the municipality reflects the political oversights committees' guidance and recommendations made to ensure effective and efficient use of municipal resources and improve capital budget and grant spending. The section 79 political monitoring committee have met as scheduled and this engagement has allowed for concerns to be raised and interventions to be proposed and implemented. The municipality developed an approach that has been established by our institution in hopes to improves systems within Makhuduthamaga Local Municipality, recognising that many of the problems that community faces are multi-sectoral in nature and cannot be adequately dealt with by a single department and not in one financial year.

Vertical coordination will be strengthened by active participation in the intergovernmental relations and working with other spheres of government and private sectors to ensure planning and implementation are integrated.

### **1.1.1 Methods used / implemented to improve public participation and accountability**

During 2021/2022 Community Consultations were conducted extensively through social media platforms and thus this method of communication has been improved as a measure of public engagement e.g Facebook. Public consultations initiated was done by the outgoing council in order to comply with the legislative requirements. The new council finalized the establishment of new ward committees in order to identify ward priority needs for the upcoming financial year.

The Municipality working together with all stakeholders such as business, community, unemployed structure, faith based organisation, CDW's and ward committees has been seen as an improved and effective working relations of Local Economic Development Forum, Council, Local AIDS Council and local command council. The active participation by these various



stakeholders did not only strengthen the capacity of the municipality but narrowed a social distance between the municipality and the community.

The Speaker's office facilitated constant interaction with communities through quarterly Ward Committee meetings with their constituencies to identify challenges and problems encountered in their wards. Though we had COVID-19 challenges municipality successfully held their meetings for the first six months of the financial year. The Mayor's office also managed to hold 26 special outreach programs focusing on focal groups i.e. women, children (ECD,) disabled persons, the elderly, the moral regeneration, men's forum and LGBTI for the financial year. The imbizos were also conducted where service delivery challenges and achievements were shared with the general public of the municipality.

The municipality throughout the financial year faced consistent municipal labour unrests and simultaneously we were continuing to attempt to close the gaps and backlogs brought upon by Covid-19. The experience has strained performance measures and service delivery; caused local economy and social stability imbalances however we found new innovative ways of working SMART through the advancement of technology, that we have adapted to long after the pandemic.

The municipality was able to remain stable and managed to hold council during this crisis.

The municipality seeks to achieve the economic growth and poverty alleviation through ensuring a better life for the society by coordinating sustainable social and economic developmental programs. Furthermore, create a conducive environment for business investments and growth for job creation. EPWP and CWP have contributed positively in maintaining a safety net for the poor communities and alleviating poverty where it matters the most. About 180 full-time positions were filled internally and 142 on EPW and 1052 on the CWP programmes.

In our growing population, there is an immense need for housing, and around 119 houses were handedover during 2021/2022 financial year and this was promoted by slow service delivery/ under-performance of contractors, scarcity of building material and shortage of serviced sites. It is important to highlight that the number of housing opportunities per financial year is directly dependent on the number of housing subsidies received from the Limpopo Department of Cooperative governance Human Settlements, and Traditional Affairs.

Towards realizing this vision, we are guided by the following strategic objectives in order to build and maintain strategic infrastructure for logistics:

1. To ensure acquisition and sustainable use of land and promote growth and development.
2. To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads, storm water control, bridges, electricity, housing and to promote social cohesion, safety, environmental welfare and disaster management for the municipality.
3. To create and manage an environment that will develop, stimulate and strengthen local economic growth





4. To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.
5. To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
6. Improve Internal and External operations of the municipality and its stakeholders

### **1.1.2 General summary of the municipality**

#### **a) Strategic alignment to Provincial Growth and Development Strategy**

The United Nations MDGs/Sustainable Development Goals' Declaration, which aims at promoting a comprehensive approach for addressing development issues across a broad front, with the net effect of ending poverty, fighting inequality and injustice, and tackling the effects of climate change by 2030.

- The White Paper on Local Government of 1998, which sets a clear vision for developmental local government in South Africa.
- The National Development Plan (NDP) 2030, which is considered as the South Africa's "long-term socio-economic development roadmap." The NDP envisages that by 2030, South Africa will be capable of playing a fully developmental role, capable of supporting and guiding development in such a way that benefits society with a particular emphasis on the poor, as captured in the White Paper on Local Government of 1998

In consideration of both the National and the Provincial Strategic framework, our Integrated Development Plan (IDP) seeks to ensure that local government is able to fulfill its developmental role. Our attitude as the Municipality is that we need to use IDP as the blue print of the municipality more strategically to focus our attention on critical priorities in our mandate as local government such as spatial planning, infrastructure and basic services.

#### **1.1.3 Summary of Municipal Service Provider's Performance during the year 2021-2022.**

The Municipality's Vision will be achieved by growing the economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities. Service providers play a vital role in the performance of the organization. Some of our municipal services are outsourced through service providers. The Municipality is responsible for ensuring effective and efficient service delivery to the community. Therefore, there is a need to monitor the performance of service providers. The objective of performance monitoring of service providers is to obtain a measure of the service provider's performance under the contract. Performance assessments during the course of a contract help both the Municipality and the service provider to reach a common understanding of the requirements of both parties about the work to be done. A rigorous reporting system is an excellent tool to provide feedback to a service provider on its performance on each project. It helps to identify areas that the Service Provider is excelling in and any areas that need improvement. Performance reports can be used in the assessment of





a service provider for pre-qualification, selective tender list, registration, tender evaluation and—in the event of termination— for unsatisfactory performance under a contract. Further, business support strategies and interventions can be appropriately tailored to achieve Municipal developmental objectives which is to ensure:

- a high quality of service is maintained,
- detect underperformance early,
- thereby reducing the risks to projects,
- create mechanisms to improve performance where targets are not being achieved,
- provide data to municipal officials so that informed decisions can be made
- assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest.

Municipal services are being provided by the Municipality by entering into Service Level Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider. The Municipality is responsible for monitoring and assessing the Implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal services is required by Section 116 of the Municipal Finance Management Act, to be monitored and reported on. While departments have mechanisms in place to monitor the work done by service providers,

#### **A) The following Service providers' performance as at the end of financial year 2021/2022**

The table below indicates service providers utilised according to functional areas:

##### **Municipal Manager**

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Contract Amount</b>	<b>Performance Areas/Service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	08/10/2023	Applicable Rates	Provision of Internal Audit Services for a period of Three (03) years.	Good	Good	N/A
Bohlabatsatsi Trading and Projects	3 Years	14/09/2018	13/09/2021	Applicable Rates	Provision of publication and printing services for a period of three (03) years	Good	Good	N/A
Re Basadi (Pty) Ltd	3 Years	16/12/2020	15/12/2023	Applicable Rates	Provision of SMS line Data bundles for a period of three	Good	Good	N/A



					(03) years			
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### Corporate Services

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Telkom SA	3 Years	01/07/2018	30/06/2021	N/A	Applicable Rates	Provision of Telephone Services	Good	Good	N/A
Nonki C Travels	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A
Makgahlela Mashaba Attorney	3 Years	14/08/2018	13/08/2021	N/A	Applicable Rates	Provision for Legal Services on defending or instituting civil actions institute by or against the Municipality in both magistrate's court and high court for a period of three (03) years	Good	Good	N/A
Ratale Mashifane Attorneys	3 Years	14/08/2018	13/08/2021	N/A	Applicable Rates	Provision of legal services on labour law litigation for a period of three(03) years	Poor	Poor	Letter of termination issued.
Velaphanda Trading and Projects	3 Years	15/10/2020	14/10/2023	N/A	Applicable Rates	Provision of Photo copying services for a period of Three (03) Years.	Good	Good	N/A
PMH IT Management	3 Years	07/06/2017	06/06/2020	30/09/2020	Applicable Rates	Provision of Maintenance and Support of ICT Systems and Infrastructure for a period of Three (03) Years.	Good	Good	N/A
LCK	3	15/10/2020	14/10/2023	N/A	Applicable	Provision of	Good	Good	N/A



Technologies	Years	020	023		ble Rates	maintenance and support of ICT systems			
Open Technology Kingdom Consulting	3 Years	11/09/2020	10/09/2023	N/A	Applicable Rates	Supply, delivery and Installation of ICT Equipments for a period of Three (03) Years.	Good	Good	N/A

### Budget and Treasury

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure
Landdata	4 Years	01/06/2019	30/06/2023	N/A	Applicable Rates	Provision of Valuation	Good	Good	N/A
Fidelity Cash Solutions Pty (Ltd)	3 Years	05/11/2020	04/11/2023	N/A	Applicable Rates	Provision of Cash Collection Services	Good	Good	N/A
ABSA Bank	5 Years	01/07/2018	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A
Procurement 11	3 Years	14/12/2020	13/12/2023	N/A	Applicable Rates	Provision off Vetting System	Good	Good	N/A
Phasima Trading & Projects	3 Years / 100 000 kms	15/01/2021	14/01/2024	N/A	Applicable Rates	Supply and delivery of Low-bed Truck and maintenance plan for three years	Good	Good	N/A
Jane Furse Tyres Pty (Ltd) JV Kumbaya 4 Trading Pty (Ltd)	3 Years / 120 000 kms	09/01/2020	10/01/2023	N/A	Applicable Rates	Supply and delivery of Traffic Vehicles	Good	Good	N/A
Phutitau Investment	3 Years	05/03/2020	04/03/2023	N/A	Applicable Rates	Supply and delivery of stationery for a period of Three (03) years.	Good	Good	N/A
Dapevet Constructio	5 Years / 100	07/06/2017	06/06/2022	N/A	Applicable	Supply, registration,	Good	Good	N/A



Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Contract Amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective Measure
n and Project Management (Pty) Ltd	000 kms				Rates	licensing and delivery of Waste Compactor Truck with maintenance of 5 years or 100 000 Kilos.			
Bravospan 90 CC	3 Years	01/04/2019	30/03/2022	N/A	<b>R1 383 538.14</b>	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A
Maximum Profit Recovery (Pty) Ltd	3 Years	12/12/2019	13/12/2021	N/A	Applicable Rates	Provision of Vat Recovery on Behalf of Makhuduthamaga Local Municipality for a period of 36 Months	Good	Good	N/A
Pheladi Chuene Maintenance and Supplies	3 Years	01/09/2020	31/08/2023	N/A	Applicable Rates	provision of cleaning services	Good	Good	N/A

**Community Services**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Kgwadi Ya Madiba General Trading and Projects	3 Years	17/11/2017	16/11/2020	17/11/2021	Applicable Rates	Maintenance of Madibong Landfill Site for 3 Years	Good	Good	N/A

**Infrastructure Services**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Capotex Trading Enterpris	3 Years	12/07/2018	11/07/2021	Applicable	Repairs and Maintenance	Good	Good	N/A



e				Rates	ce of all municipal Electrical infrastructure			
Kgwadi Ya Madiba General Trading and Projects	3 Years	12/10/2018	11/10/2021	Applicable Rates	Repairs and Maintenance of Roads and Storm water	Good	Good	N/A
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	Applicable Rates	Repairs and Maintenance of all municipal Building Infrastructure	Good	Good	N/A
Thabang Matladin g	3 Years	01/10/2020	30/10/2023	Applicable Rates	Repairs and Maintenance of municipal yellow fleet.	Good	Good	N/A

### ECONOMIC Development and Planning

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
NT Geomatrix Gauteng cc	3 Years	01/05/2019	31/05/2022	Applicable Rates	Provision of support maintenance for GIS	Good	Good	N/A

### The following projects were priorities during 2021/2022 financial year

In the year under review the Municipality successfully managed to construct access roads, access bridges; supply water through Sekhukhune District Municipality and sewage system; electrified villages through Eskom plan; provided disaster reliefs; conducted disaster awareness campaigns, awareness against children and women abuse/violence, back to school campaigns, library awareness campaigns, road safety programs; supported SMMEs; fenced cemeteries;



promoted sports, arts and culture; conducted LED forums and provided bursaries to needy students.

A) The following are major projects that were implemented to impact positively on the municipality's communities:

No.	Name of Project	Status	Financial Year Completed
1	Construction of Kome Internal street(4.2 Km)	Completed	2021/22
2	Partitioning of new municipal offices	Completed	2021/22
3	01 Road Master plan completed	Completed	2021/22
4	Construction of Mashabela Tribal office to Machacha(4.5 KM)	Completed	2021/22
5	Construction of Malegase to Mapulane access road and bridge (3,5Km)	3.5 km access road constructed up to roadbed and bridge constructed up to foundation level	2021/2022
6	Construction of Riverside WWTP to Photo Primary School (2.3Km)	Completed	2021/2022
7	Detailed Designs developed for access road from Lobethal to Tisane(4.2 km)	Completed	2021/22
8	Electrification of 826 households at Mamone (Ga Manyaka 375 units, Mogodumo 228 units, Matsoke 73 units ,Ga Mohlala A2 Sec.( A2 ext, 150 units)	Completed	2021/22
9	Detailed designs developed for access road and bridge at Mochadi (2.8km)	Completed	2021/2021
10	Detailed Designs developed for Manyeleti to Mamone central internal street	Completed	2021/22



11	Electrification of Tlame and (32 units) Marishane Porome (287 units)	Completed	2021/22
12	Construction of Mashabela Tribal office to Machacha PH 2	Mashabela Tribal office to Machacha Ph 2 constructed up to subbase	2021/22

**a) The following are other achievements by the municipality during 2021/2022**

No	Name of the Project	Targets Achieved	financial year Completed
1.	Work creation projects through Ward based EPWP/ Projects,	142 Work opportunities through EPWP/ES Grants and 329 through projects	2021/2022
2.	Maintenance of roads and storm water infrastructure	45 Roads Maintained	2021/2022
3.	Repairs and maintenance of electricity infrastructure	07 Electrical infrastructure maintained	2021/2022
4.	Repairs and Maintenance for other Assets	10 other assets maintained	2021/2022
5	Indigent's households provided with FBE	7494 Indigent's households provided with FBE	2021/2022
6	House to house collection done	700 House to house collection done	2021/2022
7	Skip-bin Successfully collected	50 skip-bin Successfully collected	2021/2022
8	Environmental awareness and clean up campaigns	04 environmental awareness and clean up campaigns done	2021/2022
9	Road safety programs.	04 Road safety	2021/2022



		programs done	
10	disaster relief to affected families	44 disaster relief provided to affected families	2021/2022
11	disaster awareness campaigns	4 disaster awareness campaigns conducted	2021/2022
12	Sports promotions	7 Sports promotions conducted	2021/2022
13	Arts and Culture promotions	4 Arts and Culture promotions done	2021/2022
14	LED forum	2 LED forum held	2021/2022
15	Provided university bursaries	24 bursaries offered	2021/2022
16	SMME'S Workshop	04 SMME's Workshop	2021/2022
17	SMME's Supported	05 SMME's Supported	2021/2022

### 1.1.4 Statement of corrective actions whereby service delivery can be improved

The following table outlines Strategic challenges and corrective measure to improve performance:

Key challenges 2021/2022	Progress made to date	Corrective Action/Recommendations
Lack of electricity supply capacity on the existing Eskom power line for implementation of electrification project at Dihlabaneng/Ngwanakwena.	A contractor was appointed and the project was stopped to wait for the upgrading of power capacity.	Engage with Eskom to complete the capacity upgrade and continue with the project.
Suspension of PPPF by National Treasury resulting in procurement put in abeyance	The suspension was lifted late in the last quarter of the financial year. The non-achieved targets	Implement the non-achieved targets in the new financial





delayed implementation of some projects.	were moved to the 2022/2023 financial year.	year. Consider finalizing procurement for 3 <sup>rd</sup> quarter and 4 <sup>th</sup> quarter in the second quarter of the financial year.
Non-payment of property rates by the high capacity businesses within our municipality.	The mayor to engage the business owners to resolve issues at hand.	Appoint a debt collector and legally collect the outstanding amounts after the engagement are completed.

Going forward, we are guided by our medium to long-term strategic plan – the Municipal Growth and Development Strategy, which constitutes part of our principal strategic medium plan – Integrated Development Plan. In the short term, it is important that the institution addresses the following issue: inadequate maintenance of municipal infrastructure, with certain pockets of poorly maintained infrastructure.

Waste management function is being implemented not up to the level expected by the people; although we started with house to house collection the increase on this issue needs to be addressed in a systematic manner as soon as possible. Land invasions and the extent to which people comply with the by-laws continue to be a challenge.

### 1.1.5 Conclusion

As we conclude this financial year, and prepare to engage in the new financial year 2022/2023, the following considerations should be made:

- Strengthening relations with our communities,
- Improving on Service Delivery (particularly on areas of priority needs),
- Filling of critical posts in the reviewed organogram,
- Strengthening fiscal management systems and ensuring that Supply Chain Management bottlenecks are effectively dealt with,
- Improving our financial audit results towards clean audits,
- Investing in infrastructure and spatial development,
- Enhancing our local economic development efforts,
- Dealing effectively with labour relations matters and participation in the LLF to ensure that they become active partners in the delivery of municipal services.

I would like to thank the joint efforts of the previous Municipal Manager (MM) Mrs MN Rampedi and current Municipal Manager Mr. RM Moganedi with the support of our dedicated Executive Members, Senior Managers and the entire municipal staff in obtaining an **unqualified audit opinion during 2021-2022** financial year. Additionally, I would like to extend my gratitude to my



fellow colleagues and leaders within the legislative wing of council guided by the erstwhile and current Speakers, Chief Whips, and executive committee for continuously devoting themselves to the oath of serving our communities.

Furthermore, I would love to thank our communities for sticking together in ensuring that the health and protection of our communities and environment remain intact; for continuously fighting against crime; gender-based violence and drug abuse. On closing remarks, the municipality continuous to prioritize service delivery to its communities and the implementation of prioritized projects. Regardless of the challenges faced by the municipality, the institution still attains its strategic vision of **“to be a catalyst of integrated community driven service delivery”**. And 100 percent spending in Municipal Infrastructure Grant (MIG).

**Mayor (Maitula B.M)**

**Signature:.....**



*Mmogo re šomela diphetogo!*



**Madire Nancy Rampedi**  
Municipal Manager



## 1.2 MUNICIPAL MANAGER'S FOREWORD

The 2021/22 Annual Report reflects the tremendous achievements and priorities which are aligned to the MFMA Circular No 63 & 11. The financial performance of the organization yielded excellent results as the actual operating revenue and expenditure proved beyond the shade of any doubt, when compared with the Final Adjustments Budget for 2021/2022. The revenue collection has done extremely well under the circumstances. We managed to collect 100% property rates from public works which must be considered exceptional. The overall operating results achieved for the past financial year closed off with a surplus of R107million compared to a budgeted deficit of R 17 million. The operating expenditure for the year is R357 million, which reveals a decrease of 11.4%. The total capital expenditure capitalized for the year in respect of property, plant, and equipment amounted to R 53 million. This includes R62million from government grants, and R270 million from own cash resources. Cash and short-term investments increased by 43.33% to R3 million (2021: R1.7 million). The cash balance at financial year end was R 105 million. During 2021/2022 the municipality obtained an unqualified audit opinion with matters.

Based on the Auditor-General of South Africa (AGSA)'s opinion, a detailed audit action plan developed and it will be monitored on a regular basis to track compliance. The municipality has since implemented over 92% of all the matters raised and emphasised by the AGSA in the previous year. In order to address matters of emphasis, municipality established Operation Clean Audit Committee in ensuring proper implementation of the audit action plan during the year. During the financial year, the municipality embarked on auditing consumer data to improve validity and accuracy of billing information. The municipality is currently working tirelessly to ensure that the problems identified are resolved. During the 2021/22 financial year, the municipality continued to comply with the King IV principles.

Council committees were established with proper terms of reference and separation of powers implemented to uphold good governance status. These committees were established to frequently monitor the implementation of council resolutions, play oversight role and activities that took place at ward and community levels. The municipality has also identified strategic risks, the mitigations of which it is monitoring on a quarterly basis. These risks include, amongst others, fraud and corruption, labour unrest and physical Security verification. We have put in place control measures to mitigate these identified risks. In addition, the council continues to encourage and empower communities and stakeholders with regard to decision-making, implementation and monitoring. This is done through ward participatory systems such as community consultation meetings and council events, e.g. Izimbizo, mayoral outreach programmes and various stakeholder forums. We will continue to deepen our relationships with our key stakeholders.

Public participation remains a critical pillar to our governance. Infrastructure maintenance, construction of new infrastructure and local economic development remain key to the development and growth of the municipality. The municipality continues to face challenges in certain areas, including roads backlog and non-payment of property rates by stake holders and the business.



## 1.2.1 OVERVIEW OF THE MUNICIPALITY

### A) Municipal Description

The Makhuduthamaga Municipality is a Category B4 municipality that is located within Sekhukhune District Municipality (SDM) of the Limpopo Province. Category B4 municipalities are municipalities which are mainly rural with communal tenure and with, at most, one or two small towns in their area. (COGTA 2009) The Municipality is completely rural in nature, dominated by traditional land ownership and comprises of a land area of approximately 209 695 ha (at a low average density of 1, 3 persons per ha). It is made up of 189 settlements with a population of 274 358 (Census 2011) or 283 958 (Community Survey 2016) people and 65 217 (Census 2011) or 64 769 (Community Survey 2016) households, which amounts to more than 24% of the District 1169 762 (Community Survey 2016). Like most rural municipalities in the Republic of South Africa, Makhuduthamaga is characterized by weak economic base, poor infrastructure, major service delivery backlogs, dispersed human settlements and high poverty levels

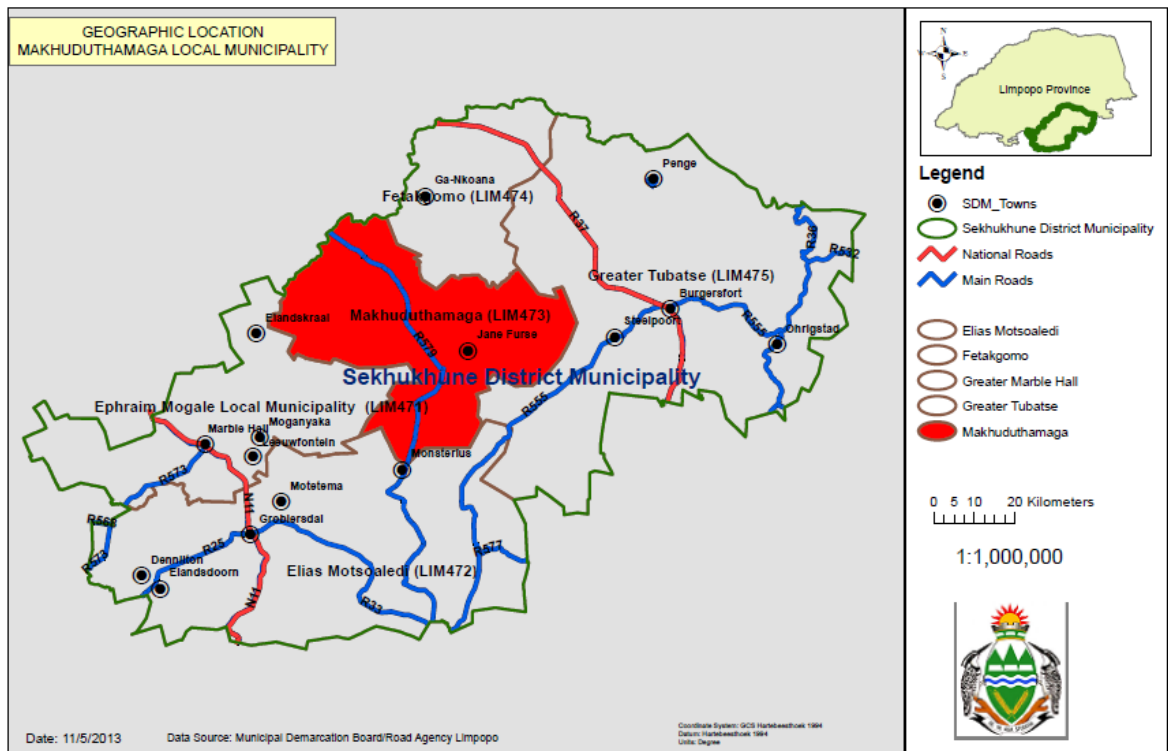
Makhuduthamaga is linked with Elias Motsoaledi and Ephraim Mogale Municipalities to the south via routes R579 and R33, and with Greater Tubatse Municipality to the north-east via route R555. The R579 - a provincial road - is currently the main route used for passengers and goods to support economic activities in the municipality.

### B) History behind the name

Makhuduthamaga: Literally means “executives”, this was a term used to denote members of the Fetakgomo movement in the 1950s.



**Makhuduthamaga Local Municipality Geographic Location**



**C) Economic Growth Development and Employment profile**

**Natural resources**

Major Natural Resources	Relevance to community
<b>Agriculture</b>	Wheat and Maize - along the Olifants river scheme  Sorghum-Tshehlwaneng and Jane Furse areas.
<b>Tourism</b>	the municipality held meetings with tourism stake holders

**D) Employment Profile for Makhuduthamaga**

Employed	19 534
Unemployed	32 780
Discouraged work seekers	13 657
Other not economically active	81 993
Not Applicable	126 394
<b>Grant Total</b>	<b>274 358</b>



Source: Census 2011

### E) Population

Municipality	Population		As % of district population	Youth Population	
	2011	2016		2011	2016
Makhuduthamaga	274 358	283 956	24 %	88 663	107 577

Source: Census 2011 and Community Survey 2016

**Table: Population by functional age group and sex – 1996 2001 and 2011**

MLM	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-14	60 534	60 747	121 282	54 700	55 093	109 793	52 967	51 500	104 466
15-64	51 085	77 981	129 065	53 332	81 167	134 499	61 579	86 385	147 964
65+	5 108	10 234	15 342	5 582	12 132	17 714	6 737	15 191	21 928
<b>Total</b>	<b>116 727</b>	<b>148 962</b>	<b>265 689</b>	<b>113 614</b>	<b>148 392</b>	<b>262 005</b>	<b>121 283</b>	<b>153 076</b>	<b>274 358</b>

Source: Census 2011 and Community Survey 2016

### Households

Municipality	Households 2011	Households 2016	As Percentage
Makhuduthamaga	65 217	64 769	22 %

Source: Census 2011 and Community Survey 2016

### People with Disabilities.

There are six categories of people living with disabilities

Blind		Deaf		Self-Care		Inability to Communicati on		Walking		Remembering/ Concentration	
Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
103 772	129 700	5 114	9 474	881	1 589	476	90	114	7 230	6 929	265 781

### F) Service delivery overview

The Municipality built quality and safe road infrastructure and electricity network in its communities. Water and sanitation are provided by Sekhukhune District Municipality whilst electricity is provided by Eskom

**The backlog on services****I. Water**

Households	Households with Water up to RDP Standard	Backlog
65 217	44760	25240

**II. Sanitation**

Households	Households with Sanitation up to RDP Standard	Backlog	% Backlog
65 217	17 940	47 277	73%

**III. Electricity**

Households	Backlog	% Backlog
65 217	4 565	7%

**1.2.2 EXECUTIVE SUMMARY**

The Makhuduthamaga Local Municipality has maintained its momentum in realising continued, steady progress over the course of the past few financial years. This has ensured that the municipality is able to effectively achieve its constitutional mandate of delivering quality services to its citizens, as well as to uphold and implement principles of good governance.

The municipality's progress bears testimony to the recent MEC's Excellence Awards, as the multi awards winning local municipality in the areas of unqualified audits, in-house preparation of Annual Financial Statements (AFS) and 100% Municipal Infrastructure Grant (MIG) spending for five consecutive financial years which are 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022.

The adverse socio-economic conditions within which the municipality operates include high unemployment rate, particularly youth unemployment, substance abuse and social ills, backlogs in infrastructure especially in relation to access roads within the deepest rural areas and a low revenue generation rate. It is legislative requirement to hold the Integrated Development Planning (IDP) and Budget consultations with stakeholders, however during the year under-review we used media (Thobela FM, Sk FM and MasCom) platforms and social media such as Facebook to reach our constituencies.

As a municipality, our strategic framework is premised on the goals laid out in the National Development Plan 2030. As a means of achieving these goals, the National Government operationalized programmes to which we subscribe to as local government. One such programme includes the Back to Basics program which entails five key pillars: putting people first, delivering basic services, good governance, sound financial systems and building capable local government institutions.

As a municipality, we have met the targets set out in our Municipal Integrated Development Plan, organisational scorecard and the Municipal Performance Plan. Our Municipal Performance Plan is intrinsically linked to the Municipal Service Delivery Budget Implementation Plan and the municipal medium expenditure framework. Through our annual public participation process we have engaged with our citizens and culminated their concerns and suggestions into





our strategic operations. Essentially, we are a citizen-centric municipality and believe that our communities are at the forefront of our objectives.

Council has been able to set its annual performance plans, linked to senior managers' performance agreements with realistic targets. Council has successfully utilise allocated Municipal Infrastructure Grant (MIG) for this financial year.

There has been an improvement in terms of the set targets from 80% to 86% in comparison of two financial years being 2020/21 and 2021/22.

### 1.2.3 Summary Performance Information

The municipality had **125 targets** for the 2021/22 financial year and managed to attain **108 targets** which is **86 percent** of the total annual targets. There has been an overall improvements as compared to 2020/2021 financial year.

#### Summary of Comparison of Annual Performance Reports between 2021/2022 and 2020/21

Number	Key Performance Areas	Total Number of Key Performance Indicator		Number of Key Performance Indicators Achieved		Number of Key Performance Indicators Not Achieved		Performance Percentage	
		2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
						2	1		21
1	Spatial Rationale	08	10	5	10	3	0	62%	100%
2	Basic Service Delivery	35	34	29	25	6	09	83%	74%
3	Local Economic Development	7	09	5	04	2	05	71%	44%
4	Financial Viability	19	18	18	16	1	02	95%	89%
5	Good Governance And Public Participation	24	26	20	20	4	06	83%	77%



<b>6</b>	<b>Municipal Transformation And Organisational Development</b>	32	30	31	27	1	03	94%	90%
<b>Total</b>		<b>125</b>	<b>127</b>	<b>108</b>	<b>102</b>	<b>17</b>	<b>25</b>	<b>86%</b>	<b>80%</b>

**1.2.4 VISION AND MISSION**

- VISION

A Catalyst of Integrated Community Driven Service Delivery

- MISSION

to strive towards service excellence

to enhance robust community based planning

to ensure efficient and effective consultation and communication with all municipal stakeholders

**1.2.5 Strategic Objective per Department and Key Performance Area KPA**

KPA	Description	Directorate/Department	Strategic objective
KPA 1	Spatial Rationale.	Economic Development and Planning	To ensure acquisition and sustainable use of land and promote growth and development
KPA 2	Basic Service Delivery.	Infrastructure Services and Community Services	To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads & storm water, bridges ,electricity and housing  To promote social cohesion, safety, environmental welfare and disaster management for the municipality.
KPA 3	Local Economic Development.	Economic Development and Planning	To create and manage an environment that will develop, stimulate and strengthen local economic growth
KPA 4	Financial Viability.	Budget and Treasury Office	To provide sound and sustainable management of the financial affairs of



			<b>Makhuduthamaga Local Municipality.</b>
KPA 5	Good Governance and Public Participation.	Municipal manager's Office and Legislative Support	To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.
KPA 6	Municipal Transformation and Organizational Development.	Corporate Services	Strategic objective: Improve Internal and External operation of the municipality and its stakeholders

### 1.2.6 Municipal functions

Makhuduthamaga Local Municipality is a Category B Municipality established to perform the following functions as bestowed upon by the Constitution in terms of section 156 (1) and the division of powers:

<b>Functions</b>	<b>Description of function performed</b>
1. Building regulations	Enforcing the national building regulations
2. Child care facilities	To provide support on crèches
3. Local tourism	To provide LED support and tourism enhancement support
4. Municipal Planning	Forward planning. Land use control. Policy development Environmental. GIS
5. Municipal Public transport	Provide traffic control and licensing
6. Storm water	Provide storm water system
7. Trading regulations	Regulate trading with support from LEDET
8. Billboards and the display of advertisements in public places	Regulation control and display of advertisement and billboards
9. Cemeteries, funeral parlours and crematoria	Control and compliance with regulations
10. Cleansing	Sweeping streets picking litter and emptying of street bins
11. Control of public nuisance	Control of public nuisance and inspection thereof issuing of notices
12. Facilities for the accommodation care and burial of animals	Comply with Landfill license permit
13. Fencing	Fencing of cemeteries and wetlands
14. Licencing and control of	Quality control. Safety and hygiene regulations



undertakings that sell food to the public	
15. Local sports facilities	Maintaining and provision of stadia
16. Markets	Building of stalls market to the community for revenue enhancement and growing of economy.
17. Municipal parks and recreation	Recreational areas for local communities
18. Municipal roads	Maintenance of roads upgrading roads from gravel to tar
19. Noise pollution	Control of noise pollution
20. Refuse removal refuse disposal sites and Solid waste disposal	Waste collection. Waste disposed at the landfill
21. Street trading	Regulate and control
22. Street lighting	Provide and maintain
23. Vehicle licensing and registration	Provide the vehicle licensing and registration to the community
24. Learners and Drivers licensing	Provide learners and drivers licensing Regulate and control
25. Disaster Management	Provide supports and coordinates the disaster within the jurisdiction of Makhuduthamaga
26. Traffic law enforcement	Ensure compliance to road safety and regulations
27. Licensing dogs	Regulate and Control safety of dogs
28. Municipal abattoirs	Regulate and control
29. Local amenities	Regulate and control
30. Pounds	Impound livestock that go astray and vehicles that infringed road safety
31. Public places	Regulate and control
32. Water	To coordinate the provision of water to local communities by the district municipality
33. Sanitation	To coordinate the provision of sanitation facilities to local communities by the district municipality
34. Municipal health services	To coordinate the provision of municipal health services by the district municipality
35. Fire fighting	To coordinate the provision of fire-fighting rendered by the district municipality



### **1.2.7 Entities related to the municipality and the sharing of power with the entities**

Makhuduthamaga Local Municipality did not have any entity during the financial year 2020/2021 and no power sharing existed.

### **1.2.8 Sector departments and the sharing of functions between the municipality/entity and sector departments**

The municipality has shared services with the Department of Transport and Community Safety, Department of Sports, Arts and Culture, Department of Public Works, Roads and Infrastructure. Department of Health and Department Social Development. Department of Transport and Community Safety together with Makhuduthamaga Municipality share the services of Driving License Testing Centres (DLTCs) in the ratio of 80:20 (DoTCS gets 80 percent and MLM gets 20%) of revenue collected by MLM.

With regard to Department of Sports, arts and Culture, the department undertook to perform the following functions in assisting the municipality in rendering effective and efficient library services:

Free supply of library books to the community

Access to free Internet

Free supply of ICT hardware and ICT infrastructure and relevant software

Free supply of library furniture

Free training and development programmes for library staff

Pay for running costs of the library management system and access to free internet services to communities

Transfer funds for operational function to the municipality

Payment of electricity bills for Ga-Phaahla; Patantshwane and Phokoane libraries for duration of the library conditional grant

### **Makhuduthamaga Municipality undertook to perform the following functions:**

Provide accommodation specifically but not limited to electricity, security/safety and general maintenance

Provide accommodation and accepts responsibility for all the library materials in the library

Reimburse DSAC at the request of HoD for all damages or loss that may be incurred in relation to the library materials

Provide eligible community members free access to the library



Pay for the remuneration of all library staff appointed by the municipality

### 1.2.9 Previous financial year’s audit opinion: AGSA’s opinion

The Municipality obtained audit opinion as follows:

2017/2018	2018/2019	2019/20	2020/2021	2021/2022
Qualified	Unqualified	Unqualified	Unqualified	Unqualified

### 1.2.10 Financial health overview for 2021/22

The Municipality has improved in terms of financial health during the year under review. The municipality reported the surplus of R106.9 million in 2021/22 as compared to deficit of R35.9 million in 2020/2021 financial year. The financial ratios as presented in Chapter 5 of this report shows that the municipality’s financial status is still in a good condition. It is however noted with concern that the municipality provided a huge amount for doubtful debts during the year under review and the prior year resulting from poor revenue collection mainly from Property Rates which is a challenge to the municipality. The rural nature of the municipality and the non-payment of property rates by other government departments for their properties within the municipal jurisdictions contributes to the poor collection of revenue and hence the high provision for doubtful debts.

The municipality has during the year under review received Unqualified Audit opinion from the Auditor General of South Africa. The municipal council has appointed and strengthened the necessary governance structures such as Audit and Performance Committee, Risk Management Committee, Municipal Public Account Committee and other Management and Council committees to ensure that the municipality works harder achieve unqualified audit opinion with no matters in the next financial year for both Financial Statements and the Performance information.

The municipality reviewed all Budget related policies and HR policies during the year under review to keep them up to date considering the changes in the applicable legislation and new regulations issued. The introduction of mSCOA has significantly improved the reporting systems of the finances and that the system is fully operational.

The Municipality has received a payment amounting to R132 Million from Department of Public Works to settle the government property rates debts.

<b>FINANCIAL OVERVIEW – 2021/2022</b>				
<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Actual performance %</b>



Property rates	R 50 076 992	R 50 076 992	R 44 418 356	89%
Bank and Investment revenue	R 1 650 000	R 1 650 000	R 3 024 286	183%
Transfers recognised – Operational (Grants)	R 299 807 000	R 319 807 000	R 320 035 314	100%
Refuse Removal	R155 600	R155 600	R150 252	97%
Other revenue	R 49 132 676	R 34 032 676	R 480 905 894	1413%
<b>Sub-Total</b>	<b>R 400 822 268</b>	<b>R 405 722 268</b>	<b>R 848 534 102</b>	<b>209%</b>
Less Expenditure	(R 361 275 989)	(R 389 069 892)	(R 356 553 911)	92%
Net Total	R 39 546 279	R 16 651 952	R 491 980 191	2954%

### 1.2.10 .1 Revenue trend by source including borrowing undertaken by the municipality

The total revenue realized by the Municipality for the financial year 2021/22 is R 910 311 390. The total revenue from exchange transactions is R 9 476 187. The municipality raised this revenue as follows:

Rental of facilities and equipment	: R 106 779
Licenses & Permits	: R 5 376 306
Other income	: R 313 085
Interest received-investment	: R 3 024 286
Gain on disposal of assets	: R 40 350
Refuse removal	: R 150 252
Actuarial gains	: R 465 129

The total revenue from non-exchange transactions stood at R 900 835 203. This revenue was received as follow:

Property rates	: R 44 418 356
Interest on outstanding debtors	: R 38 354 991
Government grants and subsidies	: R 381 812 602
Reversal of debts impairment loss	: R 435 961 804
Traffic fines	: R 287 450
Donations received – landfill site	: R0.00

The bulk of the revenue from non-exchange transactions (R 381 812 602) is the Government grants and subsidies which clearly indicate that we are a grant dependent municipality. This



represents **42%** of the municipality’s total annual revenue as per the Audited information for the year ended 30 June 2022.

The municipality never borrowed money from any institution or organization during the financial year under review.

### 1.2.11 Internal Management Changes in respect to s56/57 managers

There are no internal management changes which took place in 2021/22 financial year. No vacancy declared.

### 1.2.12 Risk assessment including the development and implementation of measures to mitigate the top 5 risks

The following table illustrates the top risk identified

Risk Description	Root cause	Risk Consequences	Mitigation
Inability to meet some basic service needs	<ul style="list-style-type: none"> <li>&gt;Insufficient funds to implement projects</li> <li>&gt;Poor maintenance of existing national and provincial roads</li> <li>&gt;Municipality is not electricity licence holder</li> <li>&gt;Municipality is not Water Service provider</li> <li>&gt;Municipality not funding housing programme</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Community unrest</li> <li>&gt;low business access and low growth in business within municipal jurisdiction</li> <li>&gt;inefficient movement of commuters</li> </ul>	<ol style="list-style-type: none"> <li>1. Work in progress as per the developed maintenance plan.</li> <li>2. None.</li> <li>3. In progress. No housing allocation for current financial year.</li> <li>4. Done in 2020/2021. 4026 indigents identified for housing allocation. (New Control)</li> </ol>
>Land Invasion	<ul style="list-style-type: none"> <li>&gt;Land owned by third party</li> <li>&gt;Intentional occupation of land for future financial compensation when legally evicted</li> <li>&gt;High demand in human</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Delay in land acquisition process</li> <li>&gt;Delays in developing the acquired land</li> <li>&gt;Financial implications due to</li> </ul>	<ol style="list-style-type: none"> <li>1. Intensify workshop for land use management for traditional leaders</li> <li>2. Establish the relation between the municipality and traditional authorities</li> </ol>





	<p>settlement</p> <ul style="list-style-type: none"> <li>&gt;Economic opportunities</li> </ul>	<p>legal processes</p> <ul style="list-style-type: none"> <li>&gt;High cost of in provision of services due to uncoordinated developments.</li> <li>&gt;Non compliance with National Building Regulations.</li> </ul>	
<p>Inability to maximise revenue collection</p>	<ul style="list-style-type: none"> <li>&gt;Inadequate basic services rendered to communities</li> <li>&gt;Non accountability of debtors due to misunderstanding of property rates</li> <li>&gt;Non implementation of by-laws</li> <li>&gt;Land ownership (Tribal Authority custody)</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Unsustainable Municipality</li> <li>&gt;Slow improvement of service delivery</li> </ul>	<ol style="list-style-type: none"> <li>1.To continuously engage with the Provincial public works to register all the government property</li> <li>2.Continue sending letters of demand to debtors.</li> <li>3.To establish revenue enhancement Committee</li> <li>4.To hold meetings for monitoring the status quo of implementation</li> </ol>
<p>Environmental pollution</p>	<ul style="list-style-type: none"> <li>&gt;Illegal Dumping of waste</li> <li>&gt;None implementation of by-Laws(waste management by-Laws)</li> <li>&gt;Lack of training for waste management personnel</li> <li>&gt;Non collection of waste in Government departments due to non payment to refuse removal services</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Health hazard to community</li> </ul>	<ol style="list-style-type: none"> <li>1.Continuous environmental education and clean-up campaign</li> <li>2.Conduct law enforcement on waste management by-laws</li> <li>3.Training of waste collection personnel</li> <li>4.Continue to engaged with non paying Government Institutions for waste collection</li> </ol>

In conclusion, we will always be appreciative to our residents who have always shown commitment to their own municipality. On behalf of the administration of the Municipality, we wish to express our profound gratitude to the political leadership provided by Herworship,our Mayor and her current and outgone executive council. Without their support, leadership and oversight, very little would have been achieved during the period under review. Our staff



continue to play an important role in ensuring that service delivery is accelerated as our people demand that we expeditiously discharge our mandate. We shall continue accelerating the delivery of services through service delivery innovations.

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**RAMPEDI MN**  
**MUNICIPAL MANAGER**



## CHAPTER 2 : GOVERNANCE

### 2. INTRODUCTION

This chapters has been categorised into four components, namely:

- Component A (Governance Structures)
- Component B (Intergovernmental Relations)
- Component C (Public Accountability and Participation) and
- Component D (Corporate Governance).

#### 2.1 COMPONENT A: GOVERNANCE STRUCTURES

To ensure accountability and governance, the municipality is expected to meet the requirements of Section 121(2)(c) of the MFMA and Section 18(1)(d) of the MSA wherein is stipulated that information on matters of governance should be communicated to communities. This should, according to Section 65(1)(a) of the MFMA and 46 of the MSA be undertaken through the compilation of the Annual Report. The purpose of such an annual report is to promote accountability to communities for decisions taken by the Council and matters relating to administrative structures, throughout a financial year.

Section 2 of Chapter 2 of the Local Government Municipal Systems Act 2000 (Act 32 of 2000) defines a municipality as follows;

“ a municipality is –

An organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act 1998

Consists of –

The political structure and the administration of the municipality; and

The community of the municipality”

Section 152 of the Constitution of the Republic of South Africa provides for the following as objects of local government;

Section 152(1) the objects of local government are;

To provide democratic and accountable government for local communities

To ensure the provision of service to communities in a sustainable manner

To promote social and economic development

To promote a safe and healthy environment and;

To encourage the involvement of communities and community organisations in the matters of local government



## 2.1.1 Political and Administrative Governance

In terms of the Local Government Municipal Structures Act the Council of the Municipality is the highest decision making body. The council appoints Accounting Officer who runs the day to day operations of the municipality on behalf of the council.

### 2.1.1.1 Political Governance

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998 Makhuduthamaga Municipality has an established political component. The political component comprises of the Speaker, Chief Whip, Mayor and Councillors. The main role of the political component is provided for in the Structures Act. Council is responsible for policy making and oversees its implementation. Its key role in its current structure is to focus on legislative participatory and oversight roles. The municipality adopted separation of powers model marking a new dispensation in history of Makhuduthamaga municipality where the legislative arm of council being separated from executive arm. This is in line with the governance approach that seeks to put in place an independent oversight mechanism to ensure that democracy is deepened and that effective public delivery takes place to benefit communities.

The Mayor is the political head championing the strategy of the municipality. The Mayor is assisted by the Executive Committee made up of 10 councillors, of which four including the mayor are full time councillors as well as the Chief whip, the Speaker and the chairperson of MPAC. Members of Executive Committee serve as head of portfolios committees . There is also Section 79 committees that process all the issues before they go to Council.

The Speaker is the chairperson of Council and presides over council meetings. The Chief - Whip of council monitors councillors from various political parties to ensure that they carry out their duties in a responsible manner. The Council Whip deals with the wellbeing and monitors attendance of all councillors to meetings. The municipal council consists of sixty-two (62) councillors, i.e. thirty-one (31) ward councillors and thirty-one (31) proportional representative councillors. Section 79 committees, have been established in accordance with the Standing Rules and Orders of Council. They are chaired by non-executive committee councillors and provide general oversight and monitoring of the Municipal service delivery mandate.

### Councillors

Council adopted the master plan/corporate calendar that plots the specified dates for council meetings. Executive Committee meetings and Portfolio Committee meetings were included in the Corporate Calendar and they were convened and held as per the schedule. There were 62 councillors who served as council members during the 2021/22 financial year from 1<sup>st</sup> July 2021 to 30 October 2021. The current councillors elected on the 1<sup>st</sup> of November and inaugurated on the 22<sup>nd</sup> November 2022 to 30 June 2022 where 31 were Ward Councillors and 31 Proportional Representatives Councillors.

**Below is a table that categorized the Councillors within their specific political parties and wards for the 2021/22 financial year from 1<sup>st</sup> July 2021 to 30 October 2021.**

Table: A

No.	Surname	Initials	Gender	Capacity	Political Party	Ward / Proportional



<b>No.</b>	<b>Surname</b>	<b>Initials</b>	<b>Gender</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Ward / Proportional</b>
1	Mamushi	F	M	Ward Councillor -1	ANC	Ward
2	Shikoane	ML	M	Ward Councillor - 2	ANC	Ward
3	Leshalabe	MM	F	Ward Councillor -3	ANC	Ward
4	Nkgadima	MR	M	Ward Councillor -4	ANC	Ward
5	Ranala	ST	F	Ward Councillor -5	ANC	Ward
6	Thokwane	KZ	M	Ward Councillor -6	ANC	Ward
7	Mapitsing	TJ	M	Ward Councillor -7	ANC	Ward
8	Morodi	PE	M	Ward Councillor -8	ANC	Ward
9	Maitjie	CD	F	Ward Councillor -9	ANC	Ward
10	Madihlaba	MG	M	Ward Councillor -10	ANC	Ward
11	Maredi	HM	F	Ward Councillor -11	ANC	Ward
12	Rankoe	TP	M	Ward Councillor -12	ANC	Ward
13	Mogashoa	NA	M	Ward Councillor -13	ANC	Ward
14	Maloma	DR	F	Ward Councillor -14	ANC	Ward
15	Maduane	KA	M	Ward Councillor -15	ANC	Ward
16	Makuwa	SS	M	Ward Councillor -16	ANC	Ward
17	Marabele	KO	F	Ward Councillor -17	ANC	Ward
18	Motseni	NL	F	Ward Councillor -18	ANC	Ward
19	Seboane	TM	F	Ward Councillor -19	ANC	Ward
20	Mothogwane	D	F	Ward Councillor -20	ANC	Ward
21	Mabatane	MC	M	Ward Councillor -21	ANC	Ward
22	Komane	ML	F	Ward Councillor -22	ANC	Ward
23	Maila	MJ	M	Ward Councillor -23	ANC	Ward
24	Matsagen g	DB	F	Ward Councillor -24	ANC	Ward
25	Diketane	SP	M	Ward Councillor -25	ANC	Ward



<b>No.</b>	<b>Surname</b>	<b>Initials</b>	<b>Gender</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Ward / Proportional</b>
26	Mahlase	MM	F	Ward Councillor -26	ANC	Ward
27	Masemola	MS	M	Ward Councillor -27	ANC	Ward
28	Mosoane	EM	M	Ward Councillor -28	ANC	Ward
29	Maleka	KJ	M	Ward Councillor -29	ANC	Ward
30	Dolamo	MF	F	Ward Councillor -30	ANC	Ward
31	Matseding	ML	F	Ward Councillor -31	ANC	Ward
32	Maitula	BM	F	Mayor	ANC	Proportional
33	Tala	MA	M	Speaker	ANC	Proportional
34	Chego	DK	M	Chief whip	ANC	Proportional
35	Maisela	KR	F	PR Councillor	ANC	Proportional
36	Mankge	HN	M	PR Councillor	ANC	Proportional
37	Lerobane	MP	F	PR Councillor	ANC	Proportional
38	Phala	M	F	PR Councillor	ANC	Proportional
39	Mamahla ko	PM	M	PR Councillor	ANC	Proportional
40	Mokomane	ML	F	PR Councillor	ANC	Proportional
41	Matjoman e	NM	M	PR Councillor	ANC	Proportional
42	Dieale	KE	F	PR Councillor	ANC	Proportional
43	Mohlala	MJ	M	PR Councillor	ANC	Proportional
44	Mathume	RD	M	PR Councillor	ASP	Proportional
45	Thokoane	MJ	M	PR Councillor	AZAPO	Proportional
46	Mapheto	MT	M	PR Councillor	DA	Proportional
47	Diale	MH	F	PR Councillor	DA	Proportional
48	Monakedi	AL	M	PR Councillor	EFF	Proportional
49	Nkadimen g	LR	F	PR Councillor	EFF	Proportional



No.	Surname	Initials	Gender	Capacity	Political Party	Ward / Proportional
50	Thamaga	MR	M	PR Councillor	EFF	Proportional
51	Leshaba	TR	F	PR Councillor	EFF	Proportional
52	Madutlela	KK	M	PR Councillor	EFF	Proportional
53	Magashula	ME	F	PR Councillor	EFF	Proportional
54	Maloma	PT	M	PR Councillor	EFF	Proportional
55	Sebesho	MS	F	PR Councillor	EFF	Proportional
56	Phala	MM	F		EFF	Proportional
57	Shongwe	BE	M	PR Councillor	EFF	Proportional
58	Mashifane	GM	F	PR Councillor	EFF	Proportional
59	Phasha	LP	F	PR Councillor	EFF	Proportional
60	Sekwati	KD	F	PR Councillor	EFF	Proportional
61	Mogamedi	BE	F	PR Councillor	EFF	Proportional
62	Makobe	PA	M	PR Councillor	SAMEBA	Proportional
<b>TOTAL :</b>					<b>Males</b>	<b>Females</b>
					<b>30</b>	<b>30</b>

Below is a table that categorized the Councillors within their specific political parties and wards for the 2021/22 financial year from 1<sup>st</sup> November 2021 to 30 June 2022.

Table: b

No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
1	Vilakazi	SM	F	Ward Councillor -1	ANC	Corporate services
2	mahlakwane	SS	M	Ward Councillor - 2	ANC	LED & Planning
3	Modige	LS	M	Ward Councillor -3	ANC	Community services
4	Malatjie	BT	F	Ward Councillor -4	ANC	Infrastructure
5	Tau	TT	M	Ward Councillor -5	ANC	MPAC
6	Thokwane	KZ	M	Ward Councillor -6	ANC	Infrastructure



No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
7	Selala	PT	F	Ward Councillor -7	ANC	Community services
8	Morodi	PE	M	Ward Councillor -8	ANC	Budget & treasury
9	Tshehla	MZ	F	Ward Councillor -9	ANC	MPAC
10	leokane	MD	M	Ward Councillor -10	ANC	LED & planning
11	Mothupi	SM	M	Ward Councillor -11	ANC	Corporate services
12	Rankoe	TP	M	Ward Councillor -12	ANC	Community services
13	Mogasha a	KJ	M	Ward Councillor -13	ANC	Corporate Service
14	Moretsele	MA	M	Ward Councillor -14	ANC	MPAC
15	Hleko	K	M	Ward Councillor -15	ANC	Corporate services
16	Makuwa	SS	M	Ward Councillor -16	ANC	Budget & treasury
17	Nkadimen g	KT	M	Ward Councillor -17	ANC	Corporate services
18	Aphane	MN	M	Ward Councillor -18	ANC	LED & planning
19	Moshaba ne	D	F	Ward Councillor -19	ANC	MPAC
20	Ngoanats obane	MG	M	Ward Councillor -20	ANC	Budget & treasury
21	Morwama koti	M	M	Ward Councillor -21	ANC	Corporate services
22	Ngwato	OM	F	Ward Councillor -22	ANC	Infrastructure
23	Maduana	HD	M	Ward Councillor -23	ANC	LED & Planning
24	Tsatsi	MD	M	Ward Councillor -24	INDEP	LED & Planning
25	Diketane	SP	M	Ward Councillor -25	ANC	MPAC
26	Lethuba	MP	M	Ward Councillor -26	ANC	Community services
27	Piitjo	MH	M	Ward Councillor -27	ANC	LED & Planning
28	Mosoane	EM	M	Ward Councillor -28	ANC	Community services
29	Kgatuke	LD	M	Ward Councillor -29	ANC	MPAC
30	Monakedi	MJ	M	Ward Councillor -30	ANC	MPAC
31	Masemol a	TP	M	Ward Councillor -31	ANC	Infrastructure





No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
32	Maitula	BM	F	Mayor	ANC	Mayor
33	Mphelane	MJ	M	Speaker	ANC	Speaker
34	Malaka	MS	M	PR Councillor	ANC	LED & planning
35	Phala	M	F	PR Councillor	ANC	Budget & treasury
36	Mokomane	ML	F	PR Councillor	ANC	Budget & treasury
37	Mampane	ML	M	PR Councillor	ANC	Chair of chairs
38	Thamaga	MM	F	Chief Whip	ANC	Chief whip
39	Matjokane	NM	M	PR Councillor	ANC	Corporate services
40	Mohlala	MJ	M	PR Councillor	ANC	Infrastructure
41	Mahlase	MM	F	PR Councillor	ANC	Infrastructure
42	Mapheto	MT	M	PR Councillor	DA	Budget & treasury
43	Machaba	G	M	PR Councillor	EFF	LED & planning
44	Mashegana	MC	M	PR Councillor	EFF	Corporate services
45	Thokoane	A	M	PR Councillor	EFF	Budget & treasury
46	Masemola	ME	M	PR Councillor	EFF	Infrastructure
47	Matsomane	ME	M	PR Councillor	EFF	MPAC
48	Kgapola	K	F	PR Councillor	EFF	Community services
49	Machai	MJ	M	PR Councillor	EFF	Community services
50	Mahlase	E	F	PR Councillor	EFF	Budget & treasury
51	Maepa	J	M	PR Councillor	EFF	MPAC
52	Lerobane	MM	F	PR Councillor	EFF	MPAC
53	Tshehla	MB	F	PR Councillor	EFF	Corporate services
54	Mmotong	L	M	PR Councillor	EFF	LED & planning
55	Moretsele	LP	M	PR Councillor	EFF	Corporate services
56	Rantho	PK	M	PR Councillor	EFF	Corporate services



No.	Surname	Initials	Gender	Capacity	Political Party	Portfolios
57	Sebowane	SH	F	PR Councillor	EFF	MPAC
58	Mokalapa	MS	M	PR Councillor	DAP	Infrastructure
59	Maapea	RS	M	PR Councillor	NCC	infrastructure
60	Ntobeng	ML	M	PR Councillor	SADA	Budget & treasury
61	Makobe	PA	M	PR Councillor	SAMEBA	infrastructure
62	Boshiela	MP	M	PR Councillor	SAMEBA	Community services
<b>TOTAL :</b>					<b>Males</b>	<b>Females</b>
					<b>46</b>	<b>16</b>

### Executive Committee

The Executive Committee and Members of each portfolio committee are listed in the table below for the period 01 July 2021 – 30 October 2021.

**Table: A**

NAME OF MEMBER ( EXCO from 01/07/2021 - 30/10/2021)	GENDER	CAPACITY	NAME OF MEMBER( EXCO from - 01/11/2021- 30/06/2022)	GENDER	CAPACITY
Cllr. Maitula B.M.	F	Mayor	Cllr. Maitula B.M.	F	Mayor
Cllr. Mohlala MJ	M	Head Infrastructure Services	Cllr. Mohlala MJ	M	Head Infrastructure Services
Cllr. Mankge HN	M	Head Corporate Services	Cllr. Matjomane NM	M	Head Corporate Services
Cllr. Maisela KR	F	Head Budget and Treasury	Cllr. Phala M	F	Head Budget and Treasury
Cllr Rankoe TP	M	Head Community Services	Cllr Rankoe TP	M	Head Community Services



Cllr. Lerobane MP	F	Head Economic Development and Planning	Cllr. Malaka MS	M	Head Economic Development and Planning
Cllr. Phala M	F	Deputy Head Infrastructure	Cllr. Mahlase M.M	F	Deputy Head Infrastructure
Cllr. Mapheto MT	M	Deputy Head Budget and Treasury	Cllr. Mahlase E.	F	Deputy Head Budget and Treasury
Cllr. Maloma PT	M	Deputy Head Community Services	No appointed deputy head in community services department		Deputy Head Community Services
Cllr. Monakedi AL	M	Deputy Head Economic Development and Planning	Cllr. Machaba G.	M	Deputy Head Economic Development and Planning

**COMMITTEES OF COUNCIL AND PURPOSE OF EACH COMMITTEE**

COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
<b>Budget and Treasury Portfolio Committee</b>	Cllr Maisela KR	F	Head	Cllr. Phala M.	F	Head	<b>Committee plays oversight and ensures that financial resources of the municipality are managed in line with legislation and accounting policies/regulations</b>
	Cllr Mapheto MT	M	Deputy Head	Cllr. Mahlase E. (Deputy Head)	F	Deputy Head	
	Cllr. Leshalabe MM	F	Chairperson	Cllr. Mokoman e M.L	F	Chairperson	
	Cllr. Matseding ML	F	Portfolio Whip	Cllr. Morodi P.E	M	Member	
	Cllr. Masemola	M	Member	Cllr. Makua	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	MS			S.S			
	Cllr. Maduana KA	M	Member	Cllr. Ngoanatsobane M.G	M	Member	
	Cllr. Mashifane GM	F	Member	Cllr. Mapheto M.T	M	Member	
	Cllr. Leshaba TR	F	Member	Cllr. Ntobeng M.L	M	Member	
	Cllr. Mathume RD	M	Member	Cllr. Thokwane A.	M	Member	
	Kgoshi Mashegoana RK	M	Member	No Traditional representative			
	Kgoshigadi Ntobeng KA	F	Member				
Corporate Services Portfolio Committee	Cllr. Mokomane ML	F	Chairperson	Cllr. Matjoman e N.M	M	Head	Committee plays oversight and ensures department implements Human Resource development strategy/policy and other related policies and that staff establishment is in line with
	Cllr. Komana ML	F	Portfolio Whip	Cllr. Moretsele L.P	M	Deputy Head	
	Cllr. Maila MJ	M	Member	Cllr. Morwama koti M.	M	Chairperson	
	Cllr. Ranala ST	F	Member	Cllr. Vilakazi S.M	F	Member	
	Cllr. Maleka	M	Member	Cllr. Hleko	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES	
	Names and initials	Gender	Designation	Names and initials	Gender	Designation		
COMMUNITIES PORTFOLIO COMMITTEE	KJ			K.			IDP objectives	
	Cllr Sebesho MS	F	Member	Cllr. Mothupi S.M	M	Member		
	Cllr. Phala LP	F	Member	Cllr. Mashegoana M.C	M	Member		
	Cllr. Shongwe BE	M	Member	Cllr. Rantho P.K	M	Member		
	Kgoshi Maila MG	M	Member	Cllr. Tshehla M.B	M	Member		
				Cllr. Mogashoa K.J				M
				No Traditional representative				
	Cllr Rankoe TP	M	Head	Cllr. Rankoe T.P	M	Head		Committee plays oversight and ensure that the department function properly and implement core mandate such as Disaster management, environmental and waste management, law enforcement & licensing, sports, arts &
	Cllr Maloma PT	M	Deputy Head	Cllr. Mosoane E.M	M	Chairperson		
	Cllr. Mabatane MC	M	Chairperson	Cllr. Lethuba M.P	M	Member		
Cllr. Mosoane EM	M	Portfolio Whip	Cllr. Selala P.T	F	Member			
Cllr. Motseni NL	F	Member	Cllr. Modige L.S	M	Member			



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Cllr. Mamushi F	M	Member	Cllr. Kgaphola R.K	F	Member	culture and Library services
	Cllr. Marabele NO	F	Member	Cllr. Nkadimeng K.T	M	Member	
	Cllr. Maredi HM	F	Member	Cllr. Machai M.J	M	Member	
	Cllr. Madutlela KK	M	Member	Cllr. Boshielo M.P	M	Member	
	Cllr. Phala MM	F	Member	No Traditional representative			
	Kgoshi Thulare SE	M	Member				
	Kgoshigadi Mashabela MR	F	Member				
	<b>Economic Development and Planning Portfolio Committee</b>	Cllr. Lerobane MP	F	<b>Head</b>	Cllr. Malaka M.S	M	
Cllr. Monakedi AL		M	<b>Deputy Head</b>	Cllr. Machaba G.	M	Deputy Head	
Cllr. Mahlase MM		F	Chairperson	Cllr. Piitjo M.H	M	Chair person	
Cllr. Nkgadima MR		M	Portfolio Whip	Cllr. Mohlakwane S.S	M	Member	
Cllr. Matsageng DB		F	Member	Cllr. Leokana M.D	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Cllr. Seboane TM	F	Member	Cllr. Tsatsi M.D	M	Member	
	Cllr. Nkadimeng LR	F	Member	Cllr. Maduana H.D	M	Member	
	Cllr. Magashule ME	F	Member	Cllr. Aphane M.N	M	Member	
	Cllr. Makobe PA	M	Member	Cllr Mmotong L.	F	Member	
	Kgoshigadi Maila MA	F	Member				
	Kgoshi Magolego MW	M	Member				
	Infrastructure and Development Services Portfolio Committee	<b>Cllr Mohlala MJ</b>	<b>M</b>	<b>Head</b>	Cllr. Mohlala M.J	M	
<b>Cllr Phala M</b>		<b>F</b>	<b>Deputy Head</b>	Cllr. Mahlase M.M	F	<b>Deputy Head</b>	
Cllr. Dieale KE		F	Chairperson	Cllr. Thokwane K.Z	M	Chairperson	
Cllr. Madihlaba MG		M	Portfolio Whip	Cllr. Masemola T.P	M	Member	
Cllr. Thokwane KZ		M	Member	Cllr. Malatjie B.T	F	Member	
Cllr. Maloma DR		F	Member	Cllr. Masemola M.E	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Cllr. Morodi PE	M	Member	Cllr. Ngwato O.M	F	Member	
	Cllr. Mothogwane D	F	Member	Cllr. Maapea R.S	M	Member	
	Cllr. Makua SS	M	Member	Cllr. Makobe P.A	M	Member	
	Cllr. Sekwati KD	F	Member	Cllr Mokalapa M.S	M	Member	
	Cllr. Moganedi BE	F	Member				
	Cllr. Mamahlako PM	M	Member				
	Kgoshigadi Seopela NJ	F	Member				
	Kgoshi Ratau ME	M	Member				
	<b>Municipal Public Accounts Committee</b>	Cllr Diketane SP	M	Chairperson	Cllr Diketane SP	M	
Cllr. Mapitsing TJ		M	Member	Cllr Kgatuke L.D	M	Member	
Cllr. Maitjie CD		F	Member	Cllr Tau T.T	M	Member	
Cllr. Mogashoa NA		M	Member	Cllr Tshehla	F	Member	





COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
				M.Z			
	Cllr. Shikoane ML	M	Member	Cllr Moretsele M.A	M	Member	
	Cllr. Diale HM	F	Member	Cllr Lerobane M.M	F	Member	
	Cllr. Dolamo MF	F	Member	Cllr Moshabane D	F	Member	
	Cllr. Thamaga MR	M	Member	Cllr Maepa J	M	Member	
	Cllr. Phasha LP	F	Member	Cllr Sebowane S.H	F	Member	
	Cllr. Thokoane MJ	M	Member	Cllr Monakedi M.J	M	Member	
	Kgoshi Maloma MG	M	Member	Cllr Matsomane E	M	Member	
Rules and Petitions Committee	Cllr. Tala MA	M	Chairperson	Cllr Mphelane M.J	M	Chairperson	Committee ensures that standing rules and orders are not violated during proceedings and that may receive referrals from Council on
	Cllr. Chego DK	M	Member	Cllr Thamaga M.M	F	Deputy Chairperson	
	Cllr. Maila MJ		Member	Cllr Mohlakwa	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
				ne S.S			certain rules for engagement and amendments. Petitions are engaged by the Committee after Council Whippery could not find each other on the same matter.
	Cllr. Motseni NL	F	Member	Cllr Moshabane D	F	Member	
	Cllr. Rankoe TP	M	Member	Cllr Lethuba M.P	M	Member	
	Cllr. Madutlela KK	M	Member	Cllr Thokwane K.Z	M	Member	
	Cllr. Phasha LP	F	Member	Cllr Machai M.j	M	Member	
	Cllr. Shongwe BE	M	Member	Cllr Mokalapa M.S	M	Member	
	Cllr. Mathume MR	M	Member	Cllr Ntobeng M.L	M	Member	
	Cllr. Diale MH	F	Member	Cllr Maapea R.S	M	Member	
	Cllr. Thokoane MJ	M	Member	Cllr Boshiela M.P	M	Member	
	Cllr. Makobe PA	M	Member	Cllr Mapheto M.T	M	Member	
	Cllr. Mabatane	M	Member	Cllr Diketane	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	MC			S.P			
	Cllr. Diketane SP	M	Member	Cllr Mashegoane M.C	M	Member	
	Cllr. Dieale KE	F	Member	Cllr			
<b>Ethics Committee</b>	Cllr. Tala MA	M	Chairperson	Cllr Mphelane M.J	M	Chairperson	Committee ensures that there is discipline and order in Council and its committees
	Cllr. Chego DK	M	Deputy Chairperson	Cllr Thamaga M.M	F	Deputy Chairperson	
	Cllr. Leshalabe MM	F	Member	Cllr Mohlakwane S.S	M	Member	
	Cllr. Marabele NO	F	Member	Cllr Selala P.T	F	Member	
	Cllr. Thokwane KZ	M	Member	Cllr Mosoane E.M	M	Member	
	Cllr. Mosoane ME	M	Member	Cllr Makobe P.A	M	Member	
	Cllr. Mathume MR	M	Member	Cllr Mokalapa M.S	M	Member	
	Cllr. Diale MH	F	Member	Cllr Tsatsi M.D	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Cllr. Thokoane MJ	M	Member	Cllr Maapea R.S	M	Member	
	Cllr. Shongwe BE	M	Member	Cllr Mapheto M.T	M	Member	
	Cllr. Makobe PA	M	Member	Cllr Morwama koti M	M	Member	
	Cllr. Mashifane GM	F	Member	Cllr Modige L.S	M	Member	
	Cllr. Thamaga MR	M	Member	Cllr Kgatuke L.D	M	Member	
	Cllr. Madhlaba MG	M	Member	Cllr Kgaphola R.K	F	Member	
	Cllr. Shikoane ML	M	Member				
	Cllr. Motseni NL	F	Member				
	<b>Audit and Performance Committee</b>	Adv. Manthata HM	F	Chairperson	NB there committee served the whole financial year with no changes		
Ms. Ngoetjana MS		F	Member				
Mr. Mpjane J N		M	Member				



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Mr. Maeyane AK	M	Member				
<b>Council Whipper y Committee</b>	Cllr. Chego DK	M	Chief Whip (ANC)	Cllr. Thamaga MM	F	Chairperson	Committee addresses matters of Council where there are dissatisfactions about certain matters of Council and seeks to resolve them.
	Cllr. Shongwe BE	M	Party Whip (EFF)	Cllr. Tsatsi M.D	M	Member	
	Cllr. Diale MH	F	Party Whip (DA)	Cllr. Masemola ME	M	Member	
	Cllr. Mathume RD	M	Party Whip (APSP)	Cllr. Makobe PA	M	Member	
	Cllr. Thokoane MJ	M	Party Whip (AZAPO)	Cllr. Mapea RS	M	Member	
	Cllr. Makobe PA	M	Party Whip (SAMEBA)	Cllr. Ntobeng ML	M	Member	
				Cllr. Mokalapa MS	M	Member	
<b>Programming Committee</b>	Cllr. Matjomane NM	M	Chairperson	Cllr. Mphelane MJ	M	Chairperson)	Committee considers reports of Executive Committee and sieves which reports must go to portfolio committees for oversight and which ones must be
	Cllr. Chego DK	M	Member	Cllr. Thamaga MM	F	Deputy Chairperson	
	Cllr. Shongwe BE	M	Member	Cllr. Mampane A	M	Member	
	Cllr. Diale	F	Member	Cllr.	M	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	MH			Makobe PA			referred to Council for adoptions or approval
	Cllr. Makobe PA	M	Member	Cllr Ntobeng ML	M	Member	
	Cllr. Thokoane MJ	F	Member	Cllr. Mahlala MJ	M	Member	
	Cllr. Mathume RD M		Member	Cllr. Leokana MD	M	Member	
				Cllr Makobe PA	M	Member	
				Cllr. Ntobeng ML	M	Member	
				Cllr. Maapea RS	M	Member	
				Cllr. Phala M	F	Member	
				Nkadimeng KT	M	Member	
				Cllr Makuwa SS	M	Member	
				Cllr Malaka MS	M	Member	
				Cllr Machaba G	M	Member	
				Cllr.	F	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
					Mmotong L		
				Cllr Matsomane EM	M	Member	
<b>Geographical Names Committee</b>	Cllr. Tala MA	M	Chairperson	Cllr. Mphelane MJ	M	Chairperson)	Committee facilitates and seeks to get proposals on naming of municipal facilities and other institutions within the municipality and ensures that is proper public consultation on changing and naming of facilities and institutions
	Cllr .Chego DK	M	Members	Cllr. Thamaga MM	F	Deputy Chairperson	
	Cllr. Shongwe BE	M	Members	Cllr. Makobe PA	M	Member	
	Cllr. Diale MH	F	Members	Cllr. Mahlala MJ	M	Member	
	Cllr. Mathume RD	M	Members	Cllr Ntobeng ML	M	Member	
	Cllr. Thokoane MJ	M	Members	Cllr Sebowane SH	F	Member	
	Cllr. Makobe PA	M	Members	Cllr. Leokana MD	M	Member	
	Cllr. Phala M	F	Members	Cllr Tshehla MZ	F	Member	
	Nkadimeng LR	M	Members	Cllr. Ntobeng ML	M	Member	
	Cllr Makuwa SS	M	Members	Cllr. Phala M	F	Member	



COMMITTEES OF COUNCIL	PORTFOLIO COMMITTEE MEMBERS FROM 01/07/2021 - 30/10/2021)			PORTFOLIO COMMITTEE MEMBERS FROM 01/11/2021-30/06/2022)			PURPOSE OF COMMITTEES
	Names and initials	Gender	Designation	Names and initials	Gender	Designation	
	Cllr. Maitje CD	F	Members	Cllr Maapea RS	M	Member	
	Cllr. Dieale KE	F	Members	Cllr. Mmotong L	F	Member	
	Cllr Mokomane ML	F	Members	Cllr. Matsomane EM	M	Member	
	Cllr Malaka MS	M	Members	Cllr. Nkadimeng KT	M	Member	
	Cllr Maisela KR	F	Members	Cllr Makuwa SS	M	Member	
	Kgoshigadi Seopela	F	Members	Cllr Malaka MS	M	Member	
	Kgoshigadi Maserumule	F	Members	Cllr Machaba G	M	Member	

**NB Geographic Names change**

The application for renaming Jane-furse town to Kgoshi Mampuru II is currently with the national geographic names change committee .

The Portfolio Committee chairpersons are as follows:





<b>Committees</b>	<b>Chairperson From 01 July to 30 October 2021</b>	<b>Chairperson 01 November 2021 to June 2022</b>	<b>Function</b>
Chairperson of Chairpersons	Cllr. Matjomane NM	Cllr. Mampane A	Committee discusses challenges and recommend to the Speaker remedial actions that should be applied on matters that affect portfolio committees
Budget and Treasury	Cllr. Leshalabe MM	Cllr. Mokomane ML	
Community Services	Cllr. Mabatane MC	Cllr. Mosoane EM	
Corporate Services	Cllr. Mokomane ML	Cllr. Morwamakoti M	
Economic Development and Planning	Cllr. Mahlase M.M	Cllr. Piitjo MH	
Infrastructure Services	Cllr. Dieale KE	Cllr. Thokwane KZ	
Municipal Public Accounts Committee	Cllr. Diketane SP	Cllr. Diketane SP	
Council Whippery	Cllr. Chego DK	Cllr. Thamaga MM	
Ethics Committee	Cllr. Tala MA	Cllr. Mphelane M.J	
Rules and Petitions Committee	Cllr. Tala MA	Cllr. Mphelane M.J	
Geographical Names Committee	Cllr. Tala MA	Cllr. Mphelane M.J	

#### SECTION 81 TRADITIONAL LEADERSHIP AS FROM 01 JULY 2021 TO 30 OCTOBER 2021

<b>Surname and Initials</b>	<b>Designation</b>
Kgoshigadi SeopelaNJ	Member
Kgoshi Ratau ME	Member



Kgoshi Maloma MG (Deceased)	Member
Kgoshigadi Maila MA	Member
Kgoshi Magolego MW	Member
Kgoshi Maila MG	Member
Kgoshi Thulare SE (Deceased)	Member
Kgoshigadi Mashabela MR	Member
Kgoshi Mashegoana RK	Member
Kgoshigadi Ntobeng KA	Member

**NB: During year under review of 2021-2022 there is no traditional leaders serving in council as per section 81.**

#### **DISTRICT REPRESENTATIVE COUNCILLORS**

<b>AS FROM 01 JULY TO 30 OCTOBER 2021</b>		<b>AS FROM 01 NOVEMBER 2021 TO 30 JUNE 2022</b>	
<b>SURNAME AND INITIALS</b>	<b>PARTY</b>	<b>SURNAME &amp; INITIALS</b>	<b>PARTY</b>
Cllr. Rankoe T.P	ANC	Cllr. Rankoe T.P	ANC
Cllr. Mabatane M.C	ANC	Cllr. Thokwane KZ	ANC
Cllr. Dolamo M.F	ANC	Cllr. Moswane ME	ANC
Cllr. Motseni N	ANC	Cllr. Leokane MD	ANC
Cllr. Thokoane M.J	AZAPO	Cllr Machai J	EFF
Cllr. Diale M.H	DA	Cllr. Mashegwane M	EEF
Cllr. Madutlela K.K	EFF	Cllr. Makobe PA	SAMEBA
Cllr. Nkadimeng L.R	EFF	Cllr Mokomane ML	ANC

#### **2.1.1.2 Administrative Governance**

The administration is led by the Municipal Manager, who is appointed in terms of Section 56 of the Municipal Systems Act. The Municipal Manager is employed on a contract basis, which includes an annual performance agreement with performance objectives, targets, and procedures for evaluating performance. The Municipal Manager is also the Accounting Officer of the Makhuduthamaga Local Municipality. The Municipal Manager and five (5) Senior



Managers implement council resolutions, advise Council and its committees and oversee the implementation of Integrated Development Plan (IDP) and Budget planning. There are functions that are delegated by Council to the Municipal Manager, who, in turn, delegates certain functions to the Senior Managers in terms of municipal delegation of powers and responsibilities. Under their leadership, municipal officials are assigned with the task to attend community consultative meetings and report to management meetings on plans and progress in addressing community issues.

**Makhuduthamaga Top Management**

<b>Designation</b>	<b>Initials &amp; Surname</b>	<b>Gender</b>	<b>Service</b>
Municipal Manager	Rampedi MN	F	Head of administration – Accounting Officer
Chief Financial Officer	Moganedi R.M	M	Provides and manages financial services to ensure financial viability, compliance, and reporting
Senior Manager Corporate Services	Mahlare M.A	F	Provides corporate services to ensure efficient support of organizational processes
Senior Manager Economic Development and Planning	Thabela A.P	M	Provision of economic development and support of SMMEs and town planning
Senior Manager Community Services	Marishane ME	F	Renders integrated community services to all of the municipality's communities
Senior Manager Infrastructure	Segale M.A	M	Provisions of development, maintenance, and service delivery to ensure sustainable services to all communities
<b>Gender Equity : Female = 3 and Male = 3</b>			

**2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS**

The purpose of inter-governmental relations is to achieve the constitutional mandate for local government by mobilizing resources and strategic partnerships which will ensure cooperation and co-ordination by all stakeholders (national, provincial, and local).

**2.2.1 Intergovernmental Structures**



### National inter-governmental structures

- **National Treasury** – coordinates the development of the Local Government fiscal framework applicable to Municipalities within the context of the Division of Revenue Act. It manages the development of the Local Government Equitable Share formula and ensures compliance with the MFMA to modernise local government budgeting and financial management processes and practices. It provides assistance to improve financial governance and to maximize Municipal capacity to deliver services through efficient, effective and sustainable manner in dealing with corrupt activities. It sets up the accountability cycle by ensuring proper linkages between IDPs, Budgets, SDBIPs, Mid-Year Reports, Annual Financial Statements, Annual Reports, Oversight Reports, and Audit Reports
- **The Department of Cooperative Governance Human Settlement and Traditional Affairs (COGHTA)** develops various policies and guidelines to enable sustainable development to eradicate poverty and develops a service-orientated culture that requires the active participation of the wider community.
- **SALGA** – Is the national representative body of local government and has a constitutionally defined mandate. It responds to challenges facing organised local governments and addresses past weaknesses.

### Provincial Intergovernmental Structures

#### provincial inter-governmental structure

- **OFFICE OF THE PREMIER** – It focuses on cooperative and good governance through the provision of advice and information, coordination, monitoring, and support to local government.
- **PROVINCIAL TREASURY**– The functions of provincial treasuries are to promote cooperative Government amongst role-players and assist National Treasury in implementing the MFMA, monitor Municipal budgets and outcomes, analyse in-year reports, and take intervention measures to assist Municipalities that breach the MFMA. Provincial Treasury has established various units to assist and monitor the Municipality. These units specialise in revenue enhancement, assets, accounting standards, and in year reporting. Through the assessment meeting and Technical assessment meetings, various Municipal issues in the province are discussed to formulate solutions and plans to improve Governance and service delivery.
- **COGHSTA** – To assist and provide guidance in building a clean, effective, efficient, responsive, and accountable local government. To strengthen partnerships between local government and communities and ensure Municipalities meet their mandate of providing basic services. 119 houses were handed over during 2021/2022 financial year and this was promoted by slow service delivery/ under-performance of contractors, scarcity of building material and shortage of serviced sites. It is important to highlight that the number of housing opportunities per financial year is directly dependent on the number of housing subsidies received from the Limpopo Department of Cooperative governance Human Settlements, and Traditional Affairs.
- **SALGA** – It is the official representative of local government, an employer's organization for all Municipalities, and sits as the employer in the South African Local Government Bargaining Council.



### 2.2..2 RELATIONSHIPS WITH MUNICIPAL ENTITIES

The Municipality does not have Municipal entities.

### 2.2.3 DISTRICT INTER-GOVERNMENTAL STRUCTURES

The Sekhukhune District Municipality has a supporting role to play in the planning and coordinating of activities within its boundaries to ensure the provision of services in the district. It is therefore imperative that the capital allocations from the district be based on community needs. These projects are implemented by the District Municipality such as water and sanitation

#### District Intergovernmental forums

District Monitoring and Evaluation forum

Mayors' forum

Speakers' Forum

Municipal Managers' Forum

Monitoring and Evaluation Forum

Chief Whips' Forum

CFOs' Forum

IDPs' Forum

### 2.2.4 Representative Forums

#### Local Labour Forum

The table below lists the members of the Local Labour Forum for the 1<sup>st</sup> July 2021 to 30 October 2021 and re-appointed members from 01/11/2021 to 01/06/2022 financial year.

The total number of meeting held is 09, due to local government election, Municipality could not able to hold LLF meeting for three consecutive months from October- December 2021.

<b>Name of representative during 01/07/2021 to 30/10/2021</b>	<b>Name of representative during 01/11/2021 to 30/ 06/2022</b>	<b>Capacity</b>	<b>Representing</b>	<b>Date of the meeting</b>
Cllr. Mankge H	Cllr. Matsomane NM	Member	Employer	26/07/2021
Mr. Letshedi LI	Mr. Letshedi LI	Member	Employer	31/08/2021
Cllr. Maisela KR	Cllr. Phala M	Deputy Chairperson	Employer	08/09/2021
Ms. Mahlare MA	Ms. Mahlare MA	Member (SM.	Employer	October –none



		Corporate Services)		
Mr. Malaka MS	Mr. Mampuru SI	Member	Employer	November – none
Mr. Leshaba DM	Mr. Leshaba DM	Member	IMATU (Labour)	December – None
Ms. Mogale NB	Ms. Mogale NB	Chairperson	SAMWU (Labour)	26/01/2022
Ms Kgothi NM	Ms Kgothi NM	Member	SAMWU (Labour)	28/02/2022
Ms. Mafiri YL	Mr. Maabane MR	Member	SAMWU (Labour)	25/03/2022
<b>TOTAL</b>		<b>09</b>	<b>Employer: 5</b> <b>Labour :4</b>	07/04/2022 23/05/2022 30/06/2022

**NB: During the financial year of 2021/2022, Ms. Mafiri LY resigned as member of LLF .**

## **2.3 COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION**

The municipality ensures widespread and conducive stakeholder participation and accountability through the following interventions:



Media such as local newspapers, ward community meetings, local radio stations, and local communicators forums are utilised to inform communities and stakeholders of Council's activities.

All messages/information are conveyed in a language/s understood by the general community.

The venues and times for public meetings are well-communicated, and efforts are made to hold meetings conveniently for all stakeholders.

Adequate time is allowed for the community, representatives of organisations, and businesses to report back to their relevant forums and make inputs.

Council meetings are open to the public, and residents are invited to attend through notices in the local newspaper, social media platforms and at notice boards at all municipal key points and libraries. Important documents such as IDP, budget, and valuation roll are made available at all public areas within the municipal jurisdiction.

Ward committee and ward community bi-monthly meetings are convened after an ordinary Council sitting and serve as a platform for interaction, engagement, and sharing of information with ward councillors.

Various forums exist on local, district, and provincial levels.

At least 16 Mayoral Outreach programmes are held during 2021/2022 financial year through municipal area.

Community development worker's (CDWs) act as a link between the government and the community.

The establishment of the Integrated Service Delivery Model (ISDM) as an innovative and new approach to service delivery.

### **2.3.1 Public meetings communication, participation, and forums**

The municipality regularly engages the community at consultation meetings to provide feedback on development progress. These consultation meetings are also utilised to gather inputs from communities concerning service delivery needs and disseminate information on the roles and responsibilities of the municipality. The Mayoral Outreach Programme is regarded as another form of community consultation. 16 Mayoral Outreach meetings were scheduled for the financial year under reviewed and all attained.

There are also mayoral special programmes intended to reach out to vulnerable groups such as the youth, the aged, people living with disabilities and e.t.c of which the municipality managed to organise 26 special programmes during the year under review.

The main purpose of these consultations is to ensure that the political principals get closer to the communities and afford community members a chance to voice their needs and participate in council matters.

The IDP forum, constituted by Councillors, Business organisations representatives, Non-Governmental Organisations (NGOs) / Community-Based Organisations (CBOs), government departments, agricultural organisations and other stakeholder representatives, is another



platform where the representatives of various interest groups are allowed to represent community interests and contribute knowledge and ideas. This builds consensus and support for the planning process itself and ensures broader ownership of the outcomes. Media briefings were held to update the media with information on the latest developments in the municipality. A bulk SMS system is used to disseminate prompt notifications to the community. Quarterly integrated community Izimbizos were held to market and educate the community about government projects, programmes and services.

Quarterly community newsletters were produced and distributed throughout the municipality.

### 2.3.2 IDP participation and alignment

The Council performs the legislative functions. They focus on legislative oversight and participatory roles and have delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers Councillors are also actively involved in community work and the various social development programs in the municipal area.

Communication channels that were used to engage communities include:

Bi-Monthly Mayoral Outreach Programs

Quarterly Exco Imbizos

Regular interactions and stakeholders engagement such as business formations and Non-Governmental Organisation

Quarterly newsletters (Lentšu)

Radio-Interviews with the Mayor

Inclusive IDP/Budget public participation program

Good customer care is of fundamental importance to any organisation and analysis here shows that local residents view the Municipality's people relations in a negative light. A successful Communication Strategy therefore links the people to the Municipality's programme for the year.

Below is a communication checklist of the compliance with communication requirements:

Communication activity	Yes/No
Communication Unit	Yes
Communication Strategy	Yes
Communication Policy	Yes
Customer Satisfaction Surveys	Yes
Functional Complaint Management Systems	Yes
Newsletters distributed at least quarterly	Yes





Both the IDP and Multi-year Budget process for the period 2021/2022 was open to the public for comments. The documents were available for inspection at municipal office, all municipal libraries and on the municipal website: [www.makhuduthamaga.gov.za](http://www.makhuduthamaga.gov.za)

Due to regulation of Covid-19 and restrictions community at large radios has been used for public consultation

The following is the programme of IDP public participation for 2021-2022

Stake holders consulted	Date	Venue
Magoshi	04/05/2021	Jane Furse Comprehensive
Vulnerable groups	28/04/2021	Municipal chamber
IDP Steering Committee	11/05/2021	Perter Nchabeleng Hall
IDP representative forum	14/05/2021	Madibong ( Tribal Office)
General Public consultation	23/04/2024	Community slot radios (Skhukhune fm 98.7 and masemola 107.5) Live makhuduthamaga facebook

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
Does the Municipality have impact outcome input output indicators?	Yes
Does the IDP have priorities objectives KPIs development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

The following table is the programme of Annual Report consultation for previous financial year 2020-2021



Stake holders consulted	Date	Venue
Magoshi	04/02/2022	Jane Furse Comprehensive
Vurnable	26/02/2022	Municipal chamber
Schoornoord Cluster	23/02/2022	Perter Nchabeleng Hall
Janefurse Cluster	24/02/2022	Madibong ( Tribal Office)
Masemola cluster	25/02/2022	Kgaruthuthu ( storm breakers sports ground
Phokwane Cluster	28/02/2022	Mabintane Hall
Makhuduthaga employee	01/03/2022	Virtual

### 2.3.3 WARD COMMITTEES

The purpose of the ward committee system is to provide a channel for public participation and the general interaction between the community and Council. The municipality has an intensive community consultation process that is done at ward level, in line with the community-based planning approach. This process stimulates participatory governance by affording community members a fair opportunity to deliberate on issues affecting them in their respective wards. Over and above that, this approach was implemented to inevitably include the local community in decision-making, planning, and to generally allow them to play an active part in their own development. In order to facilitate this community consultation process, thirty one (31) ward committees were established, chaired by the ward councillors, and supported by ten (10) ward committee members. The ward councillor ensures that the interests of all people in the ward are presented in Council. Ward committees meet bi-monthly to discuss, amongst other things, resolutions taken by Council.

During the year under review Council took a resolution on the 02/02/2022 being resolution No 84 of 2021-2022, where Council approved a policy on the establishment of ward committee for the period 2021-2026. Council created committees to implement the resolution and approved a procedure manual for the election of ward committees. The process went successfully and on the 1<sup>st</sup> of April 2022 all elected ward committee started with their responsibilities.

Ward committee structures narrow the gap between the municipality and communities since ward committees have the knowledge and understanding of the residents and communities they represent. CDWs link communities (regarding the municipality's community development initiatives/programmes) and the provincial government departments.

The notion of participation remains a key cornerstone of good governance and constitutes an integral component in the policy making process, development planning and budgeting. Section 152 of the Constitution, places the participation of communities at the centre of service delivery and other matters of Local Government. Correspondingly, the Local Government: Municipal Structures Act, 1998 and Local Government: Municipal Systems Act, 2000 provides the legislative framework for the establishment of Ward Committees by municipalities.



The Local Government: Municipal Systems Act of 2000 states in section 42 that a municipality, through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

**Ward committees:**

are made up of representatives of a particular ward

are made up of members who are elected to represent a specific geographical area/block

are chaired by the ward councillor

are meant to be an institutionalised channel of communication and interaction between communities and municipalities

give the community members the opportunity to express their needs and opinions on issues that affect their lives, and to be heard at the municipal level via the ward councillor

are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible

Ward committees are elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor, who makes specific submissions directly to the council. These committees play a critical role in the development and annual revision of the integrated development plan of the area.

The ward committees support the ward councillor, who receive reports on development, participate in development planning processes and facilitate wider community participation. The municipality constantly strives to ensure that all ward committees function optimally in terms of the provision of community information, convening meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

**2.4 COMPONENT D: CORPORATE GOVERNANCE**

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance



also includes the relationships among the many stakeholders involved and the goals for which the institution is governed

The municipality has implemented a system of corporate governance that encourages the effective, efficient, and economic use of resources towards better service delivery and ensures accountability and responsibility for the stewardship of those resources. This governance framework supports sound financial decision-making, ensuring affordable services to the community, guiding funding and financing priorities, and facilitating performance monitoring and review. During the year under review, the following key governance responsibilities were functional:

Internal audit function, which operates in terms of an approved internal audit plan/charter

Audit Committee, which operates in accordance with approved terms of reference and Charter

A risk assessment was conducted, which includes a risk management strategy and monitoring of key risks according to a risk register.

An approved Fraud Prevention Plan exists.

A strategic plan was prepared and approved for the financial year, which forms the basis for performance monitoring against the SDBIP, the municipal mandate, objectives, outputs, indicators, and targets.

A performance management system is in place.

An approved system of delegations exists to maximise administrative and operational efficiency and to provide for adequate checks and balances as required in terms of Section 59 to 65 of the Municipal Systems Act 32 of 2000.

Council has delegated its administration duties to the Municipal Manager who has five Departmental Heads in charge of the following departments:

Corporate Services.

Economic Development and Planning

Community Services

Infrastructure Development Services and

Budget and Treasury

### **2.4.1 Risk Management**

Section 62 (1) (c) (i) (a) of The Local Government Municipal Finance Management Act 56 of 2000 assigns an extensive responsibility to the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective, efficient, and transparent systems of risk management and internal controls. Risk management policy of Makhuduthamaga Local Municipality as approved by the council further extends responsibility to all Municipal officials to implement effective systems of risk management within their areas of responsibility. Accordingly, the Risk Management Unit is established in the Office of the Municipal Manager.



### **Risk Management Committee**

Makhuduthamaga Local Municipality has established a Risk Management Committee (RMC) in terms of the Local Government: Municipal Finance Management Act 56 of 2003. The RMC is guided by the Terms of Reference in conjunction with the Public Sector Risk Management Framework from the National Treasury Department.

The Committee aims to assist the Accounting Officer, Management and Council to ensure that policies, internal controls and procedures are in place in order to create an appropriate culture and system, which include processes for risk management planning, identification, analysis, monitoring and control in a consistent manner.

### **Members of Risk Committee as end 2021/2022 financial year**

Risk management committee is chaired by external person and its member are senior managers.

<b>Committee Meeting</b>	<b>Gender</b>	<b>Designation</b>
Mr. Maeyane A K	Male	Chairperson
Ms Rampedi MN	Female	Member (Municipal Manager)
Mr Moganedi RM	Male	Member(Chief Finance Officer)
Ms Mahlare MA	Female	Member(Senior Manager Corporate Services)
Mr Segale MA	Male	Member(Senior Manager Infrastructure)
Ms Marishane ME	Female	Member(Senior Manager Community Services)
Mr Thabela AP	Male	Member(Senior Economic Development and Planning)

The committee held 04 quarterly meetings during the year under review:

21 July 2021

19 October 2021

17 January 2022

19 April 2022

In accordance with the requirements of The Local Government Municipal FMA, the annual risk assessment was conducted through intensive departmental sessions and risk assessment workshops. The annual risk assessment covered both strategic and operational risks of the Municipality, fraud and corruption risks were also identified in both strategic and operational levels.



A detailed risk register was developed comprised of both strategic and operational risks with the top risks being prioritized by management. All identified risks were grouped into specific risk categories to get a more manageable risk register with greater possibility to overview risks, followed by the rating of the risks and controls. Intervention measures were incorporated into the Risk Register through actions plans with clear time frames and assigning of responsibilities to relevant process owners and risk owners.

The following table illustrates the top risk identified

Risk Description	Root cause	Risk Consequences	Mitigation
Inability to meet some basic service needs	<ul style="list-style-type: none"> <li>&gt;Insufficient funds to implement projects</li> <li>&gt;Poor maintenance of existing national and provincial roads</li> <li>&gt;Municipality is not electricity licence holder</li> <li>&gt;Municipality is not Water Service provider</li> <li>&gt;Municipality not funding housing programme</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Community unrest</li> <li>&gt;low business access and low growth in business within municipal jurisdiction</li> <li>&gt;inefficient movement of commuters</li> </ul>	<ol style="list-style-type: none"> <li>1.Work in progress as per the developed maintenance plan.</li> <li>2.None.</li> <li>3.In progress. No housing allocation for current financial year.</li> <li>4. Done in 2020/2021. 4026 indigents identified for housing allocation. (New Control)</li> </ol>
>Land Invasion	<ul style="list-style-type: none"> <li>&gt;Land owned by third party</li> <li>&gt;Intentional occupation of land for future financial compensation when legally evicted</li> <li>&gt;High demand in human settlement</li> <li>&gt;Economic opportunities</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Delay in land acquisition process</li> <li>&gt;Delays in developing the acquired land</li> <li>&gt;Financial implications due to legal processes</li> <li>&gt;High cost of in provision of services due to uncoordinated developments.</li> </ul>	<ol style="list-style-type: none"> <li>1.Intensify workshop for land use management for traditional leaders</li> <li>2.Establish the relation between the municipality and traditional authorities</li> </ol>



		>Non compliance with National Building Regulations.	
Inability to maximise revenue collection	<ul style="list-style-type: none"> <li>&gt;Inadequate basic services rendered to communities</li> <li>&gt;Non accountability of debtors due to misunderstanding of property rates</li> <li>&gt;Non implementation of by-laws</li> <li>&gt;Land ownership (Tribal Authority custody)</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Unsustainable Municipality</li> <li>&gt;Slow improvement of service delivery</li> </ul>	<ol style="list-style-type: none"> <li>1.To continuously engage with the Provincial public works to register all the government property</li> <li>2.Continue sending letters of demand to debtors.</li> <li>3.To establish revenue enhancement Committee</li> <li>4.To hold meetings for monitoring the status quo of implementation</li> </ol>
Environmental pollution	<ul style="list-style-type: none"> <li>&gt;Illegal Dumping of waste</li> <li>&gt;None implementation of by-Laws(waste management by-Laws)</li> <li>&gt;Lack of training for waste management personnel</li> <li>&gt;Non collection of waste in Government departments due to non payment to refuse removal services</li> </ul>	>Health hazard to community	<ol style="list-style-type: none"> <li>1.Continuous environmental education and clean-up campaign</li> <li>2.Conduct law enforcement on waste management by-laws</li> <li>3.Training of waste collection personnel</li> <li>4.Continue to adhere to Council resolution of not collecting waste for non paying Government Institutions</li> </ol>

### 2.4.2 Anti- Fraud and Corruption

Our Municipality has commitment to deal with all Fraud, Corruption and Mal-administration activities. This will involve proactive, on-going, and consistent fraud risk management processes to mitigate fraud risks to the lowest levels towards the achievement of the Municipal objectives. Fraud is an ever increasing global problem that affects us all, the Municipality is not immune to this worldwide epidemic and is not prepared to be a victim of fraud, but rather seeks to be part of the solution to a fraud free society.



Section 166 of the Local Government Municipal Finance Management Act no 56 of 2003 requires each Municipality to establishment an audit committee, Performance and risk committee as an independent advisory body which must:

advise the municipal council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to:

- internal financial control and internal audits
- (ii) risk management
- (iii) accounting policies
- (iv) the adequacy, reliability and accuracy of financial reporting and information
- (v) performance management
- (vi) effective governance
- (vii) compliance with acts and legislations
- (viii) performance evaluation

The above requirement is to ensure appropriate and effective system of internal control for the accounting officer and senior management to prudently incorporate fraud risk management and internal control within the Municipality governance processes.

The accounting officer and senior management make a robust assessment of fraud risk as to how they will be managed and mitigated to suit the service delivery plan of the Makhuduthamaga Local Municipality.

This can be achieved by implementing and designing efficient and effective internal control processes to prevent the likelihood of existing and emerging fraud risks to manifest at an alarming rate.

### **2.4.3 Audit and Performance Committee Responsibility**

The audit and performance committee reports have been complied with its responsibilities arising from section 166(2) (a) of the MFMA. The audit and performance committee also report that it has adopted appropriate formal terms of reference as its audit and performance committee charter, and it has regulated its affairs in compliance with this charter and it has also discharged all its responsibilities as contained therein. Audit and performance committee report for all four quarters of the financial year ended 30 June 2022 were submitted and adopted by the municipal council.

#### **2.4.3.1 The effectiveness of internal control**

The system of internal controls applied by the municipality over the financial and risk management was effective, efficient and transparent. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit and performance committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and





processes. The system of internal control over financial reporting for the period under review was efficient and effective.

**Evaluation of annual financial statements, Risk Management & Performance Management**

The audit and performance committee has:

reviewed and discussed the draft annual financial statements to be submitted to the Auditor-General South Africa for external audit with the Accounting Officer and senior management of the municipality;

reviewed the prior year Auditor-General of South Africa's management report and management's response thereto and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended 30 June 2022;

reviewed the risk management registers and progress report for implementation of the action plans for all four quarters of the financial year ended 30 June 2022 and is satisfied with the functionality of the risk management committee and the risk management unit of the municipality;

reviewed the municipality's compliance with legal and regulatory provisions;

reviewed the quarterly performance management reports and annual performance report for the year ended 30 June 2022 and discussed the reports with management on a quarterly basis.

**Internal audit**

The audit and performance committee is satisfied that the internal audit function is operating effectively and that it has identified weaknesses in the system of internal controls pertinent to the municipality and also recommended corrective actions to improve the system of internal control.

Section 165 (2) (a) (b) (iv) of the MFMA requires that:

The internal audit unit of a Municipality must– (a) Prepare a risk based audit plan and an internal audit programme for each financial year; and (b) Advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to internal audit.

**Inputs for AGSA action plans**

No external quality assurance review was conducted on the internal audit function. The matter is being discussed at district and provincial level with an efforts to try and assist the local municipality with regards to performance of quality assurance reviews.

Below is the Audit and Performance Committee members appointed with effect from the 1<sup>st</sup> of July 2020- 30 June 2023:

Name	Capacity	Dates of AC meetings held



Adv. Manthata HM /Mr Mpjane J N	Chairperson	27 July 2021
Ms. Ngoetjana MS	Member	27 August 2021
Mr. Mpjane J N	Member	26 October 2021
Mr. Maeyane A K	Member	24 January 2022 22 April 2022

## Attendance of meetings of Audit and Performance Committee

Name	Capacity	Number of meetings attended
Adv. Manthata HM	Chairperson	5
Ms. Ngoetjana MS	Member	5
Mr. Mpjane J N	Member	5
Mr. Maeyane A K	Member	5

Below are the activities of the Internal Audit Unit which were performed during the year under review:

Planned Activity/projects	Comment
<b>Policies and plans</b>	
Reviewed Audit and Performance Committee Charter	Reviewed and approved on 27 July 2021 by Audit Committee  Adopted by municipal council – Resolution no:82 of 2021/2022
Reviewed Internal Audit Charter	Reviewed and approved on 27 July 2021 by Audit Committee.



	Adopted by municipal council – Resolution no:82 of 2021/2022
Reviewed Internal Audit Methodology	Developed and approved on 27 July 2021 by Audit Committee  Adopted by municipal council – Resolution no:82 of 2021/2022
Three year rolling Internal Audit Plan and annual programme	Developed and approved on 27 July 2021 by Audit Committee
<b>Projects – (Risk based)</b>	
Review of AFS and APR (2021-2022)	Completed
Follow up audit on AGSA report ( 2020-21 findings)	Completed
Follow up audit on IA reports (2020 -21 findings)	Completed
Enterprise Risk Management Security and Loss control	Completed
Project Management and Contract Management	Completed
Supply Chain Management	Completed
Human Resource Management and HRD	Completed
Economic Development and Planning	Completed
Assets Management and Maintenance	Completed
Information Technology	Completed
Occupation and Health and Safety	Completed
Revenue and cash management (Debt collection and revenue enhancement strategies)	Completed
Records Management	Completed
Waste management	Completed
Expenditure Management	Completed
<b>Regulatory Audit</b>	
Audit of Performance Information (First Quarter, Second Quarter, Third Quarter, and Fourth Quarter)	Completed



## 2.4.4 Supply Chain Management

Section 217 of the Constitution of the Republic of South Africa requires that when an organ of State contracts for goods and services it must do so in accordance with a system which is fair equitable transparent competitive and cost effective.

The management has developed and a Supply Chain Management (SCM) Policy and practices in compliance with the guidelines set out by the Supply Chain Management Regulations, which was approved by Council. The Preferential Procurement Regulations, 2017, with effect from 1 April 2017, were incorporated into the policy and adopted. The SCM Policy incorporating the above-mentioned regulations, as well as all other relevant pieces of legislation, regulations, and circulars, are annually reviewed during the budget process. The CSD (Central Supplier Database) was implemented for a supplier to be registered before he/she can be used.

The Supply Chain Management Policy guides all SCM role players relative to Sections 47 and 48 of the MFMA SCM Regulations.

SCM is centralized and the municipality has established the three (3) bid committee system. No councillors are members of a committee of the committees handling supply chain processed.

### 2.4.4 Supply Chain Management Unit

Chapter 11 of the MFMA compels the municipalities to establish Supply Chain Management Units and implement the SCM Policy which gives effect to all SCM functional areas. The Supply Chain Management Unit has been established and operates under a direct supervision of the Chief Financial Officer.

### SCM Processes and Procedures

The following processes mentioned here under will be summarised in stages. i.e. from requisition stage up to the final stage of appointment of a service provider.

#### Demand

- The user department identifies a need for a particular goods and/ service.
- Verifies that goods or services requested are in the approved IDP, SDBIP and have



funds available as per approved Annual Budget.

- Submit the requisition to the budget unit for confirmation of budget and signature by Manager Budget/delegated official.
- Submit the request to Bid Specification committee for development of detailed specification of goods or services required.

### **Requisitions**

- The user department will raise a requisition on the mSCOA system
- The requisition gets approved by the Head of Department (HOD)

### **Bid Specification Committee**

- The Committee is established in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 27 of the Supply Chain Management regulation and the policy of the Municipality.
- An advert is then placed with the specification from the said Committee on the Municipal website and notice board.

### **Bid Evaluation Committee**

- The Committee is established in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee performs their tasks as required in terms of sec. 28 of the Supply Chain Management regulation and the policy of the Municipality.
- The Committee prepares a report with recommendation(s) to the Bid Adjudication committee.

### **Bid Adjudication Committee**

- The Committee is established in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.
-



-The Committee performs their tasks as required in terms of sec. 29 of the Supply Chain Management regulation and the policy of the Municipality.

-The committee analyse the report from the Bid evaluation committee and make recommendation(s) to the Accounting Officer

### **Appointment Stage**

-The Accounting officer may after due consideration of the reports from the said committees accept or reject recommendations from the Bid Adjudication Committee as in terms of sec. 29 (5) (b) of the Supply Chain Management regulation and the policy of the Municipality.

-The Municipality has adopted a Supply Chain Management Policy which is in line with the Regulation. The Municipality acquires goods and services through the processes as stated in the policy.

- No Councillor is a member of any bid committees and the Municipality is adhering to sec. 117 of MFMA as well as circular No.40.

### **2.4.5 By-laws**

The municipality has adopted By-laws which referred as community laws regarding many aspects of the day to day life activities. They are there to ensure that Municipal rules are maintained and adhered to in the coordination of the daily business activities. By-laws are also there to ensure that municipality generates its own revenue in order to sustain delivery quality services to its communities.

<b>Name of the Bylaw</b>	<b>By-law gazetted</b>
Credit controls	Yes
Property Rates	Yes
Street advertising.	Yes
Street Trading	Yes
Waste Management	Yes
Public Nuisance	Yes
Public Amenities	Yes

NB: No new by- laws were promulgated during the year under review 2021-2022.



## **2.4.6 Municipal website**

The municipal website is an integral part of a Municipality's communication infrastructure and strategy. It serves as a tool for community participation and improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. It also assists with public information sharing platform, it serves as compliance tool. Section 75 of the MFMA requires that the municipalities place key documents and information on their website among others are IDP; SDBIP; the annual budget adjustments and budget related documents and policies. The Municipality has a service level agreement with State Information Technology Agency (SITA) for website maintenance.

## **2.4.7 Public Satisfaction on Municipal Services**

During the year under review the municipality did not contacted any public satisfaction survey on municipal services.

## **2.4.8 All Municipal Oversight Committee**

The municipality has four oversight committees namely: MSA s79 portfolio committees, s79 standing committee (Municipal Public Accounts Committee), MFMA s165 (Audit Committee) and Risk Management Committee. The municipal council established section 79 in terms of the Municipal Structures Act. This committee plays oversight on the work of the Executive Committee on monthly basis by engaging the reports of the executive committee and also visiting projects. The Audit Committee's role is to play oversight on the work of Council and also provide advises on the performance of the municipality on quarterly basis. The Risk Management Committee has been established to advise the municipal manger on risk management issues. The committee is chaired by a member of the Audit Committee and reports from the Risk Management Committee are then tabled to the Audit Committee. The Risk Management Committee is composed of Risk Management Unit, Risk Champions and Audit Committee member.



## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### INTRODUCTION

This chapter focuses on service delivery on a service-by-service basis. It reflects municipal performance derived from the IDP objectives, translated into SDBIP and presents data on community needs and resource deployment.

### 3.1 BASIC SERVICES PERFORMANCE

The Municipality performs the following functions in relation to the provision of Basic Services:

- Provision of electricity
- Provision of roads and storm water system
- Repair and maintenance of existing infrastructure related to electricity, roads, bridges, storm-water and buildings.
- Provision of Free Basic electricity

#### 3.1.1 Electricity

The Municipality has entered into a Service Level Agreement (SLA) with the National Department of Energy for the provision of household connections. After the completion of the projects the municipality transfer the projects to Eskom for maintenance. The Municipality is experiencing the following households electrification challenges:

- Illegal connections to households.
- Insufficient capacity on the existing network.
- New extensions of residential sites for post connections
- Budgetary Constraints

#### **Comment on electricity services' performance overall**

The projects that were initially planned for household electrification were not implemented due to lack of capacity in their respective areas for example matolokwaneng. The municipality made funds application from the Department for 2021/2022 financial year households electricity provision which has been approved and allocated R20 million.

The numbers of household villages provided with electricity for 2021/2022

Name of villages	Number of Households
Mamone Manyaka	375
Mamone Ga Mohlala	150





Mamone Mogodumo	228
Matsoke	73
Tlame	32
Marishane porome	189

<b>Employees: Electricity Services</b>					
<b>Job Level</b>	<b>2020/2021</b>	<b>2021/2022</b>			
	<b>Employees</b>	<b>Approved Posts</b>	<b>Filled posts</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 – 12	1	1	1	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>

### Financial Performance 2021/22: Electricity and housing

<b>Details</b>	<b>2021/22</b>			
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Variance to Budget</b>
Expenditure	R5 000 000	R3 000 000	R1 974 485	R 1 025 515
Employees	R584 965	R 584 965	R 573 918	R 11 047
INEP	R20 000 000	R20 000 000	R 20 000 000	R 0.00
Repairs and Maintenance	R2 200 000	R2 200 000	R 1 499 782	R 700 218
<b>Total Expenditure</b>	<b>R27 784 965</b>	<b>R25 784 965</b>	<b>R 24 048 185</b>	<b>R1 736 780</b>



### 3.1.2 Free Basic Services and Indigent Support

Free Basic Services provided by MLM

Service provided	Number of households benefitted
1. Electricity FBE collected	21599
2. Refuse removal H/H	700

### 3.1.3. Waste Management (this section to include: refuse collection and waste disposal)

#### Waste management

In terms of schedule 5B of the constitution of South Africa Act 108 of 1996, Waste Management is a Local Government competence that must be executed to protect human and environment. The municipality is mandated by the National Environmental Management Act No 59 of 2008 to develop the Integrated Waste Management Plan (IWMP) which assist in adhering to all national legislations. The draft IWMP is in place and it is submitted to Limpopo Economic Development and Tourism (LEDET) for approval by MEC. There is a Waste Management Policy that is approved by council.

On this function the Municipality has taken a full responsibility of refuse removal services by placing skip bins at several points along namely: Vleischboom, Mabintane road, Maserumule park, Phokoane, Brooklyn, Glen Cowie, Moloj, Mogorwane, Riverside, Mokwete, Jane Furse, Makgane, Schoonoord, Maila Mapitsane, Manganeng, Tjatane, Malegale, Maila Segolo, Marulaneng, Mamone, Marishane ,Mashabela, Masemola, Apel Cross, Malope and Setlaboswane. The following institutions has contracted with the municipality for refuse removal services: Moratiwa Complex, Moratiwa Extension, Viva Glen Cowie, St Ritas Hospital, Jane Furse Hospital, Jane Furse Plaza, Jane Furse Comprehensive School, Kwena Motors, Rakgoadi Bakery, Kgolane Complex.

There is a permitted land fill site in Jane Furse which is a General Communal (GCB) size landfill with a permit number 12/11/9/D1. The waste disposed in the landfill site is recorded and reported to South African Waste Information System (SAWIS) monthly. There are four (4) Co-operatives permitted to do recycling on the site daily. During 2021/2022 financial year municipality conducted 04 internal audit land fill site.

The municipality is currently facing a challenge of illegal dumping which are created within private own properties and on the outskirts of some villages. As at the end of June 2022 three (3) waste compactor trucks, two (2) skip loaders and fifty (50) skip bins are in place. The municipality has developed a database for recyclers and also established a recycling forum which meets on quarterly basis. The municipality has successfully introduced kerbside (house to house) collection at Glen Cowie (Mathousand and New stand) and Marishane gardens.

The refuse removal picture for households is as follows:

Removed by local authority at least once a week (skips)	6569
Removed by local authority/private company less often	325
Removed by local authority at least once a week H/H	700
Communal refuse dump	661
Own refuse dump	52 020



No rubbish disposal	4 631
Other	311
<b>Grand Total</b>	<b>65 217</b>

### Financial Performance 2021/22: Solid Waste Management Services

Details	Original Budget	Adjustment Budget	Actuals	Variance to Budget
General Expenditure	R62 000	R 62 000	R 270 871	(R 208 871)
Employees	R3 775 319	R 3 808 627	R 2 429 583	R1 379 044
Repairs and Maintenance	R1 050 000	R1 050 000	R0.00	R1 050 000
Contracted Services	R18 909 175	R27 363 762	R 27 969 817	(R 606 055)
<b>Total Expenditure</b>	<b>R23 796 493</b>	<b>R32 284 389</b>	<b>R 30 670 271</b>	<b>R 1 614 118</b>

### Below table is a comparison of waste collection

Description	2019/20	2020/21	2021/22
	Actual No.	Actual No.	Actual No.
<p><b><u>Solid Waste Removal:</u></b> (Minimum level)</p> <p>Removed at least once a week</p>	-Daily Street to street collection(Jane Furse, Phokoane, Glen Cowie, Mokwete and Schoonoord) other identified areas, collection is done as and when required	-Daily Street to street collection(Jane Furse, Phokoane, Glen Cowie, Mokwete and Schoonoord) other identified areas collection is done as and when required	-Daily Street to street collection(Jane Furse, ,Phokoane Glen Cowie, Mokwete and Schoonoord) other identified areas collection is done as and when required



	-53 Skips for 23 villages.		
		-50 Skips for 27 villages.	-50 Skips for 27 villages.
<b>Total number of households</b>	None	500 Households collected.	700 Households collected.
<b>Households - Solid Waste Service Delivery Levels below the minimum</b>			
<b>Description</b>	<b>2019/20</b>	<b>2020/2021</b>	<b>2021/22</b>
	<b>No.</b>	<b>No.</b>	<b>No</b>
<b>Formal Settlements</b>			
<b>Total households:</b>			
Households below minimum service level	Entire Makhudutha maga Municipality	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality
Proportion of households below minimum service level			
<b>Informal Settlements</b>			
<b>Total households:</b>			
Households below minimum	Entire Makhudutha	Entire Makhuduthamaga	Entire Makhuduthamaga



service level	maga Municipality	Municipality	Municipality
Proportion of households below minimum service level	0	0	0

Description	2019/20	2020/21	2021/22
	No.	No.	No.
Total households			
Households below minimum service level	Entire Makhuduthamaga Municipality	Entire Makhuduthamaga Municipality	700 House to house collection made at Glen Cowie and Marishane
Proportion of households below minimum service level			

**Employees: Solid Waste Management Services**

Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	06	08	06	0	0
7 – 9	0	0	0	0	0
10 – 12	01	01	01	0	0
13 – 15	0	0	0	0	0
16 – 18	1	01	01	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>08</b>	<b>10</b>	<b>8</b>	<b>0</b>	<b>0 %</b>



Employees and Posts numbers are as at 30 June 2022. The 08 are combined general workers and drivers with 01 supervisors and 01 manager.

#### Employees: Waste Disposal and Other Services

Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	06	08	02	02	0
7 – 9	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>02</b>	<b>02</b>	<b>0</b>

NB: the two post is one landfill supervisor and one general worker.

### 3.1.4 Roads, Bridges and Storm water

The Municipality has reviewed Road Master Plan in 2021/2022 financial year, the current plan specifies the conditions of the roads throughout the municipal area and further proposes a priority list for intervention. The Municipality has the following related strategic objective for the reporting period:

-To reduce infrastructure and service delivery backlogs in order to improve quality of life of the community by providing them with roads and storm water.

Municipality receive MIG funds and Equitable Shares In order to achieve its objective. Municipality needs more resources both financial and human resources to be able to address the backlog.

#### Gravel Road Infrastructure

Financial years	Total Gravel Roads	New Gravel roads constructed/ established	New KM roads upgraded to asphalt.	Gravel	Gravel km roads maintained.



*Mmogo re Šomela diphetogo!*

		<b>hed</b>		
2019/20	291	2	10km	35km
2020/21	293	0	19km	45km
2021/22	293	3	11km	40km

**Asphalted Road Infrastructure  
Kilometres**

	<b>Total asphalted roads</b>	<b>New asphalt roads</b>	<b>Existing asphalt roads re-asphalted</b>	<b>Existing asphalt roads re-sheeted</b>	<b>Asphalt roads maintained</b>
2019/20	116	10	1	1	2
2020/21	126	19	1	0	1
2021/22	156	11	0	0	1

**Cost of Construction/Maintenance:**

	<b>Gravel</b>			<b>Asphalt</b>		
	<b>New</b>	<b>Gravel – Asphalt amounts</b>	<b>Amounts Maintained</b>	<b>New</b>	<b>Re-worked</b>	<b>Maintained</b>
2019/20	10 km	R108 650 000	31 600 000	108 650 000	7 030 000	3 000 000
2020/21	19 Km	R115 000 000	45 333 000	115 000 000	0	0
2021/22	11Km	R41 326 000	R44 745 000	R41 326 000	0	0

**Employees: Road Services, bridges and storm water**



Job Level	2019/20	2021/22		
	Approved Posts	Filled posts	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	4	4	0	0%
4 – 6	8	5	3	63%
7 – 9	1	0	0	0
10 – 12	4	4	0	0
13 – 15	0	0	0	0
16 – 18	2	2	0	0
19 – 20	0	0	4	0
<b>Total</b>	<b>19</b>	<b>15</b>	<b>4</b>	<b>79%</b>

Financial Performance 2021/22: Road Services, Bridges and Storm water				
Details	2021/22			Variance
	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue (excluding tariffs)</b>	R0	R0	R0	R0
<b>Expenditure:</b>	R3 792 327	R3 994 698	R3 573 631	R421 067
Employees				
Repairs and Maintenance	R 20 500 000	R 40 500 000	R 40 500 000	R0
Other	R 3 300 000	R 3 300 000	R 3 300 000	R0





<b>Total Expenditure</b>	<b>Operational</b>	<b>R27 592 327</b>	<b>R47 794 698</b>	<b>R10 631</b>	<b>923</b>
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<b>Capital Expenditure 2021/22: Road Services, Bridges and Storm water</b>				
Capital Projects	<b>2021/22</b>			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Construction of Kome Internal street(4.2 Km)	R 21 713 000	R 22 713 000	R 18 576 000	R 4 137 000
Partitioning of new municipal offices	R 2 000 000	R 908 000	R 908 000	R 0
01 Road Master plan completed	R1 000 000	R 2 158 000	R 2 157 000	R0
Construction of Mashabela Tribal office to Machacha(4.5 KM)	R14 000 000	R 26 000 000	R26 000 000	R 0
Construction of Malegase to Mapulane access road and bridge (3,5Km)	R 20 712 000	R 20 712 000	R 18 375 000	R 2 337 000
Construction of Riverside WWTP to Photo Primary School (2.3Km)	R15 498 000	R18 998 000	R 11 375 000	R 7 623 000
Detailed Designs developed for access road from Lobethal to Tisane(4.2 km)	R13 000 000	R1 342 000	R1 342 000	R 0
Electrification of 295 households at Mamone Ga Manyaka (for 170 units, Mamone Mogodumo, 100 units, Mamone Ga Mohlala Sec , 25 units A2 ext. )	R 5 310 000	R 14 700 000	R 14 700 000	R 0
Detailed designs developed	R4 500	R 4 500	R 2 088	R 2 412



for access road and bridge at Mochadi (2.8km)				
Detailed Designs developed for Manyeleti to Mamone central internal street	R1 000 000	R6 595 000	R 1 320 000	R 5 595
Electrification of Tlame and (32 units) Marishane Porome (287 units)	R 2 376 000	R 6 019 000	R 6 019 000	R0
Construction of Mashabela Tribal office to Machacha PH 2	R 12 000	R 12 000	R0	R0

### 3.1.5 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE

Municipal Infrastructure Grant (MIG)* Expenditure 2021/22 on Service backlogs						
R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Construction of Kome Internal street(4.2 Km)	R 21 713	R 22 713	R 18 576	R 4 137	R 0.00	None
Construction of Malegase to Mapulane access road and bridge (3,5Km)	R 20 712	R 20 712	R 18 375	R 2 337	R 0.00	None
Construction of Riverside WWTP to Photo Primary School (2.3Km)	R15 498	R18 998	R 11 375	R 7 623	R 0.00	None



Detailed designs developed for access road and bridge at Mochadi (2.8km)	R4 500	R 4 500	R 2 088	R 2 412	R00	None
Detailed Designs developed for Manyeleti to Mamone central internal street	R1 000	R6 595	R 1 320	R 5 595	R 0.00	None
MIG Overheads	R2 772	R 2 776	R 2 776	R 0	R0	None
Total	R 65 627	R61 777	R61 777	R0	R0	None

### 3.2 PLANNING AND DEVELOPMENT

The Makhuduthamaga Municipality is predominantly rural and most of its communities are under the leadership of traditional authorities. The Traditional Authorities are the custodians of land, as a result, for the Municipality to acquire land for spatial development, it has to negotiate with Traditional Authorities through a land acquisition process, a process that also requires facilitation by the Department of Agriculture, Land Reform and Rural Development (DALRRD). The Municipality has a challenge of acquiring land due to unrealistic purchase rates demanded by traditional authorities that do not match with the professional valuation of the subject properties. Most traditional authorities are also reluctant to release land as this is seen to be weakening their authority. Consultation meetings with various traditional authorities were facilitated by the Municipality to create awareness on land use management. More awareness is still needed for traditional authorities to understand that the municipality requires land to facilitate spatial development within the Municipal area and attract investors to come and invest within the Municipal jurisdiction as to help grow the local economy and improve the overall standard of living of all its communities.

The Municipality has Council approved Local Economic Development (LED) Strategy. The Municipality also has Spatial Development Framework (SDF). The LED strategy identified the municipality's major economic drivers and proposed how these can be streamlined in a manner that can grow the local economy and create job opportunities for local communities, while the SDF on the other hand, identified economic potential clusters (nodes) which the Municipality must pay attention to in respect of directing spatial development to unlock local economic development within the Municipal area.

Makhuduthamaga Local Municipality is predominantly rural in character and as a result, faces challenges in implementing most town planning and land use management tools. The Spatial Planning and Land Use Management Act (SPLUMA) (Act16 of 2013) was passed to ensure that effective and standard land development procedures and land use management is followed and implemented across the country. The promulgation of the said Act further ensures that the responsibility of considering developments applications lies with the municipalities as opposed to the previous arrangement, which allowed other spheres of government to play that role. As per SPLUMA, municipalities are required to adhere and comply with provisions of the said Act by effecting the



following changes amongst others:

- Establish Municipal Planning Tribunal (MPT) to consider relevant development applications;
- Categorize development applications;
- Promulgate Municipal Spatial Planning and Land Use Management (SPLUM) by-law;
- Appoint Members of Municipal Planning Tribunal (MPT) and nominate Municipal Authorized Official (AO)
- Develop of a wall-to-wall land use scheme;

### **3.2.1 Spatial Planning**

Sekhukhune District Municipality has advised all its local municipalities to be part of a District Joint Municipal Planning Tribunal (DJMPT) as to ensure sharing of available scarce resources and further to avoid service delivery gaps within its local Municipalities. As a result, Makhuduthamaga Local Municipality took Council resolution to be part of the district DJMPT.

Municipality has also categorized its development applications as required by SPLUMA.

CoGHSTA and Sekhukhune District Municipality have also been assisting the municipality with the development of its Municipal SPLUM bylaw. The SPLUM bylaw has been adopted by Council and gazetted. Initially, the process of developing Municipal SPLUM bylaw was faced with some challenges from local traditional leaders which was then resolved after intensive consultations with the stakeholders. The resolution of the matter has opened way for finalization of the Municipal SPLUM by-law.

The municipality has finalized its Land Use Management Scheme (LUMS) and it is Council approved. The completion of LUMS means that the municipality can effectively process all land development applications to speedup spatial development, influence local economic growth and influence investments.

The municipality has a Council approved SPLUMA compliant Spatial Development Framework (SDF).

Amongst others the SDF outlines the following key priority areas:

- the need to initiate the process of formalizing Jane Furse as the primary growth point;
- introduction of formal planning of settlements;
- the need to contain development sprawl;
- conservation of protected areas;
- Development and enhancement of municipal economic potential nodes.

In implementing SDF programs that have been identified and recommended in the SDF, the municipality has initiated projects such as development of precinct plans for economic potential nodal zones, formalization of rural settlements through sites demarcation, etc. The municipality has already conducted feasibility study for formalisation of Jane Furse as the Municipal primary node. This was done by undertaking specific studies and investigations to inform the formal township establishment



process of formalizing Jane Fuse.

The municipality also identified settlements that are formally planned, the following settlements were formally planned (formal sites demarcated):

- Groblersvrede (Makgane);
- Korenvelden
- Ga-Mashabela (along R579 to Lebowakgomo)
- Ga-Marishane
- Maila Mapitsane
- Maila Segolo

This is done in response to SDF recommendations to introduce formal planning and to avoid haphazard nature of land allocation which makes it difficult and costly to provide services such as roads, electricity and water.

Municipality has received a major development application for the development of a regional shopping centre to be located in Janefurse. The development application is to be considered and approved by DJMPT. This major development proposal is supplemented by other smaller proposed developments such as filling stations, etc that are located in various strategic locations within the Municipal jurisdiction.

### 3.2.2 Land Acquisition

The Municipality has been negotiating with relevant stakeholders for land release, unfortunately we could not be able to acquire any land as anticipated, however, negotiations for land release are continuous with few private land owners interested to engage the Municipality on the matter with the intension to sell their pieces of land to the Municipality.

### 3.2.3 Local Economic Development

The Local Economic Development (LED) Strategy forms part of Makhuduthamaga Local Municipality's overall strategic plans as outlined in the Integrated Development Planning (IDP) processes in seeking to promote viable local economic activities that benefit the local community. The LED Strategy provides the Municipality with a guideline to create and facilitate local economic development and further realize the underlying economic development potential as well as to encourage private sector involvement in job creation within the jurisdiction of the Municipality.

The local economy is highly dependent upon agriculture with vegetables production, grains and fruit being the key players followed by retail services, taxi industry and manufacturing. While grain farming is a major player on a subsistence farming basis

The LED strategy outlined the role of the municipality and other stakeholders in supporting SMMEs. **05** SMMEs were financially supported during the 2021/22 financial year in line with the LED Strategy. In addition, SMME business community has been supported through training sessions which were conducted in conjunction with our key stakeholders such as NYDA, SEDA, DALRRD, etc. The LED strategy has identified various issues and strategic areas for intervention such as indicated below:



Thrust	LED Programmes
Economic Sector Development	<ul style="list-style-type: none"> <li>• Agriculture cluster development</li> <li>• Mining development</li> <li>• manufacturing development</li> <li>• Construction development</li> <li>• wholesale and retail sector development</li> <li>• Transport storage and communications development</li> <li>• Tourism development</li> <li>• Enterprise development</li> </ul>
Economic Infrastructure Development	<ul style="list-style-type: none"> <li>• Roads and transport</li> <li>• Water supply</li> <li>• Electrification</li> <li>• Waste Management</li> <li>• Integrated infrastructure investment plan</li> </ul>
Social Infrastructure Development	<ul style="list-style-type: none"> <li>• Skills Development</li> <li>• Housing</li> <li>• Health</li> <li>• Education</li> </ul>
Institutional Support	<ul style="list-style-type: none"> <li>• Business Regulatory Environment</li> <li>• Financial Soundness and Management</li> <li>• LED Directorate Capacity Building</li> </ul>

### LED Initiatives

With a limited budget for LED projects (versus the high needs) the following initiatives have been executed:

DESCRIPTION PROJECT	OF	TOTAL INVESTMENT	PERFORMANCE HIGHLIGHTS
SMME Support		0	5 SMME were financially supported

### Challenges: LED



Challenge	Proposed Solution
Limited budget	To budget enough to cater for more increased number of SMMEs and skills training
Product market establishment	Engagement with other stakeholders e.g DALRRD, SEDA, etc to establish stable market

### 3.3 COMMUNITY AND SOCIAL SERVICES

The Directorate of Community Services (Municipal Services) is comprised of the follow Divisions:

- Waste and Environmental Management Services
- Social Services
- Law enforcement and licencing

#### 3.3.1 Environmental management

##### 3.3.1.1 Cemetery fencing

The municipality planned to fence 2 cluster cemeteries but the target was not achieved due unavailability of land. The directorate will continue to fence village based cemeteries according to the priority list in the next financial year until land for cluster cemetery is acquired.

##### 3.3.1.2 ENVIRONMENTAL PROTECTION

The priorities of the environmental management services section are to ensure a safe and healthy environment for the community through the following:

- Ensure compliance with environmental legislation through monitoring and enforcement.
- Give technical input on environmental issues with regard to new developments.
- Environmental pollution control
- Facilitate pauper's burials
- Control & monitoring of hazardous substances.

##### 3.3.1.3 Pollution Control

The municipality conducted four (4) environmental awareness and clean-up campaigns with an attempt to promote safe and clean environment at the following villages:

- **Recycling and awareness** held on the 21 September 2021 at New Municipal Building.
- **Environmental education and awareness** held on the 29 September 2021 at Tswaing Clinic.



- **Environmental education and awareness** held on the 30 September 2021 at Madibong Clinic
- **Capacity Building Workshop held on the 10<sup>th</sup> March 2022** at Madibong Tribal Office

According to the landfill license conditions both internal and external audits should be conducted by the municipality quarterly and the external auditor annually. The municipality has managed to conduct four (4) internal audits and no external audit was conducted.

### 3.4 SECURITY AND SAFETY

Safety is the responsibility of all residents of Makhuduthamaga and all citizens of South Africa. The socio-economic challenges of inequality, poverty and unemployment is a major contributor to unsafe situations. With awareness campaigns on safety and security held, the residents commit themselves to maintain and promote a zero tolerance approach to crime and safety.

Safety needs to be approached from different angles, as no entity on its own will be able to successfully ensure the safety of the communities of Makhuduthamaga Local Municipality. Therefore instead of working in silos, a combined strategy has been implemented to increase the capacity of manpower in order to assist Makhuduthamaga Safety Forum in combatting crime, insecurity and unsafe environment.

#### 3.4.1 Traffic law enforcement and licensing service

These are the functions which were rendered by the Department of Transport and Community Safety, but due to devolution these functions are the responsibility of the Municipality. It should also be indicated that the Services are carried out in concurrence and jointly with the provincial and national departments of transport. The Traffic service offered in Makhuduthamaga Local Municipality is a culmination of discussions and subsequent agreement between the Municipality and the Limpopo Department of Transport and Community Safety. The Municipality has other Devolved Functions i.e. Nebo and Sekhukhune Driving License Testing (DLTC) and Vehicle Testing Stations (VTS) services respectively.

The municipality has developed and implemented Standing Orders for the traffic officers that will ensure effective and efficient traffic management. The council has approved 'rooster' system for traffic officers. The municipality used to experience huge convoy during Easter and Festive seasons. The attempt to ensure that other by-pass routes are used has not been maximally achieved. There are two main by-pass routes in Jane Furse that are meant to reduce congestions at Plaza entrances and Crossing Mall – Four ways stop. These by-pass routes are at entrance to SAPS Jane Furse from Nebo and the other at first robot near main municipal office via Vergelegen C to R579 to Mamone.

The licensing services of vehicles at both Nebo and Sekhukhune traffic stations assist in generating revenue for the municipality. Although there are some few challenges relating to the standard of services that we are providing, the municipality has a plan to establish another testing station at Ga-Masemola that will meet all the requirements.

#### 3.4.2 Transport Licensing

Makhuduthamaga Licensing and Testing Services carry out the licensing and testing function in terms of the Service Level Agreement entered into between Makhuduthamaga Local Municipality and





Limpopo Provincial Department of Transport. Makhuduthamaga has two Drivers Licencing Testing Centres (DLTCs) at Nebo and Sekhukhune.

The municipality has 4 + 1 mini-taxis operating within the prescribed routes. The municipality is experiencing a high volume of this mode of transport which poses a serious challenge, due to high volume of commuters. The owners of the mini-taxis would like to convert their permits from 4 + 1 to 6 + 1 mode.

The DLTCs offer the following services:

1. Vehicle Registrations and Renewal of Vehicle Licenses.
2. Issuing of learners and drivers licenses.
3. Issuing of roadworthy certificates and professional driving permits.
4. Issuing of motor trade numbers, temporary and special permits.
5. Deregistration of motor vehicles.

### **3.4.3 Traffic and Security**

The main function of Traffic Services is to make the roads safe and ensure the free flow of traffic at all times. This is done through visible law enforcement, speed enforcement, road safety campaigns and installation of traffic calming measures. During the year under review four (4) road safety campaigns conducted.

Selective law enforcement is done at all accident zones, where different law enforcement duties are conducted. Traffic Wardens are deployed at different areas to control the flow of traffic in congested intersections, and to assist scholars to cross busy roads. Road accidents remain a challenge for the municipality, however law enforcement interventions are introduced wherein drunken driving operations which are conducted at high accident prone areas. Security Services is responsible for the safeguarding of all municipal properties and personnel.

## **3.5 SOCIAL SERVICES**

### **3.5.1 Library services**

The municipality has four (4) libraries namely: Jane Furse, Phokwane, Ga- Phaahla and Patantswana. The libraries open Monday to Friday from 07:30 to 16:30. They offer the following services: Free Wi-Fi, outreach programmes, assist the learners with applications for admission and financial assistance from higher institutions, basic computer training and blind library services.

The library services managed to conduct the following awareness campaigns:

- Reading for pleasure held on 29 October 2021 at Lehlogedi Creche, Molepane Makgale Creche, Shalom Shagaina Creche
- Library Outreach programme held on 03 March 2022 at Leokeng Secondary, Ntshebele



## Secondary

**3.5.2 Disaster Management**

The Municipality response to Disaster incidents in terms of Disaster Management Act 52 of 2002 as amended in 2015 section 16 whereby Local Municipality has been given full responsibility to deal with Disaster within their area of jurisdiction. Six (6) disaster awareness campaigns and two (2) disaster advisory forums were conducted.

The Municipality assists in terms of providing relief materials in the form of temporary shelters, sponges and blankets. In 2021/22 38 disaster incidents were reported and relief was provided.

**3.5.2.1 Disaster Incident Reported in the 2021/22**

No	Name and Surname	Relief Provided	Type of disaster	Family no :	Village /ward
1.	Nkadimeng Kganape Albert	Blankets :02 Sponges : 01	Structural Fire	01	Vergelegen A ward 11
2.	Mogoshi Lekoba	Blankets : 06 Sponges 03	Structural Fire	03	Ga molepane Ward 11
3.	Tlaka Maphoko Klaas	Blankets :04 Sponges: 02	Structural Fire	02	Mokwete Ward 11
4.	Sophie Lebambo	Blankets :10 Sponges: 05 Temporary shelter: 01	Structural Fire	05	Dichoeung Ward 11
5.	Elsie Nkadimeng Nai	Blankets : 04 Sponges: 02	Structural Fire	02	Ramphelane Manganeng Ward 17
6.	Boshigo Mashego Elizabeth	Blankets :05 Sponges:04 Temporary Shelter: 01	Structural Fire	05	Madibaneng Ward 22
7.	Tladi Johannes Kota	Blankets : 07 Sponges: 04 Temporary Shelter: 01	Structural Fire	07	Malope Ward 27
8.	Mashaba Hlamedi Sabbinah	Blankets :02 Sponges: 01	Structural Fire	01	Mochadi Ward 08
9.	Makua Esther Phasoane	Blankets :06	Structural Fire	03	Mohlarekoma Ward 05
10.	Senona Pitjadi Vempi	Blankets : 07 Sponges: 03	Structural Fire	03	Thabampshe Ward 28
11.	Rampora Gaddewa	Blankets :02	Heavy Storm	02	Mmashoto Masemola Ward 28
12.	Malesela Makobe	Blankets : 08 Sponges: 05	Heavy Storm	08	Mmashoto Masemola Ward 28
13.	Mokangwe Edwin Makete	Blankets : 02	Heavy Storm	02	Mmashoto Masemola Ward 28
14.	Malesela Diana	Blankets : 06	Heavy Storm	06	Semahlakole



	Mahlase				Masemola Ward 28
15.	Sam Mahlangu	Blankets : 06 Sponges: 03	Structural Fire	03	Hlalanikahle Ward 08
16.	Nkadimeng Mamotswane Evah	Blankets : 03	Heavy Storm	03	Dihlabaneng Ward 16
17.	Mankgaba Peter	Blankets : 04	Heavy Storm	04	Dihlabaneng Ward 16
18.	Tala Makamela Maggie	Blankets :10 Sponges: 05	Structural Fire	05	Phatametsane Phokoane Ward 02
19.	Skhosana Zanele	Blankets : 08 Sponges: 03	Structural Fire	04	Hlalanikahle Ward 08
20	Paledi Mogatlogedi Linky	Blankets : 08 Sponges: 03 Temporary Shelter: 01	Structural Fire	04	Ngwaritsi Ward 04
21	Mangope Maloke Maria	Blankets : 02 Sponges: 01	Structural Fire	01	Kolokotela Ward 30
22.	Masemola Mashianoke	Blankets : 06 Sponges:03	Structural Fire	03	Makgopane Ward 26
23.	Matleke Martha Maila	Temporary shelter: 01	Mud house collapsed	02	Ga maila Mapitsane Ward 15
24.	Makena William Matagobe	Blankets : 06 Sponges: 02 Temporary Shelter: 01	Structural Fire	03	Magapung Ward 09
25.	Ngwanamathibe Sam Sefoka	Blankets :02 Sponges: 01	Structure Fire	01	Thabamshe Ga Masemola ( ward 27)
26.	Nchabeleng Sinah	Blankets :02 Sponges: 01	Structural Fire	01	Tswaing Masemola Ward 28
27.	Leshaba Ranapo Betty	Blankets : 08 Sponges: 03	Structural Fire	04	Mare Ward 04
28.	Mahlobogwane Mpelegeng Rebeccah	Blankets : 06 Temporary Shelter: 01	Heavy Storm	06	Ga Marishane Ward 26
29.	Sebesho Sarah Mashike	Blankets : 03 Temporary Shelter: 01	Heavy Storm	03	Ga Marishane Ward 26
30.	Mphiba Magodimo Willie	Blankets :02 Sponges: 01	Structural Fire	01	Mogaladi Ward 30
31.	Ntsana Moshidi Annah	Blankets :02 Sponges: 01	Structural Fire	01	Vergelegen B Ward 18
32.	Masemola Malesele Thembina	Blankets : 08 Sponges: 04	Structural fire	04	Semahlakole Masemola Ward 28
33.	Matsageng Ditlele Betty	Blankets : 02 Sponges: 01	Structural fire	01	Mohlotsi Ward 24
34.	Letsiane Temane William	Blankets : 06 Sponges: 03	Structural Fire	03	Diphagane Ward 24
35.	Makua Lephoula Patricia	Blankets : 08	Structural Fire	04	Kotsiri Ward 16
36.	Masemola	Blankets : 06	Structural	03	Makgwabe Masemola



	Mmadingane	Sponges: 02	Fire		Ward 29
37.	Mathale Mabolo Johannah	Blankets : 04 Sponges: 02	Structural Fire	02	Ga Ratau Makgane Ward 12
38.	Moteka Phaume Sibongile	Blankets : 06 Sponges: 02	Structural Fire	04	Ga Mohlala Mamone Ward 21

### 3.6 SPORTS AND RECREATION

The Social Services division of Community Services Department provides a wide range of services to the community. This reaches from the administration of sports and recreational facilities to the maintenance of park and recreational facilities.

The service delivery priorities are to provide and maintain sports facilities, parks and public open spaces and municipal halls. These priorities were met through maintaining all facilities by cutting grass, removing weeds, planting trees by utilising the cleaning services staff and EPWP workers. EPWP projects were introduced to ensure job creation and a safe environment.

#### 3.6.1 Sports, arts and culture

The following sports promotion activities were held:

- TUPs Tournament- held on 06 October 2021 at Marulaneng village
- Basket Ball - held on the 27 of November 2021 at Kgalatlou High School.
- Soccer talent search program- held on 19<sup>th</sup> December 2021 at Jane Furse Artificial Pitch
- Hockey tournament-held 06 February 2021 at Marulaneng village
- Mini cricket course – held on 08 February 2021
- Boxing games- held on 19<sup>th</sup> February 2022
- Hard ball coaching course- held on 04-06 March 2022 at Peter Nchabeleng Sports Complex
- Volley ball tournament- held 21 March 2022 at Jane Furse Comprehensive School

#### 3.6.2 Arts and Culture Promotion

The municipality has Arts and culture unit which promotes and sustain cultural heritage.

- Heritage and Language promotion held on the 24 September 2021 at Masemola High School Hall
- Heritage and multi-cultural dance held on the 01 October 2021 at Jane Furse
- Choreography & International Exposure workshop on the 15 December 2021 Kgaola Mafiri building.
- Popular Youth Dance held on the 27 November 2021 at Peter Nchabeleng Sports Complex
- Opera & Choristos workshop held on 30 March 2022 at Kgaola Mafiri building
- Novel Writing workshop held on the 05 March 2022 at Kgaola Mafiri building

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- Limpopo Arts Alive Auditions held on the 07 March 2022 at Kgaola Mafiri building.
  - Marula Festival Preliminary session held on the 14 March 2022 at Kgaola Mafiri building.

## **3.7 CORPORATE POLICIES AND OTHERS**

### **3.7.1 Property valuation:**

The department is responsible for providing an updated basis for the levying of property rates. During the 2015/2016 financial year, the 4th supplementary valuation roll for the 2013 to 2018 general valuation roll was compiled and submitted in January 2016. The department is also responsible for the alienation of Council's properties as per the prescripts of the relevant legislation.

### **3.7.2 Legal and Administration Services:**

The Legal unit is responsible for the provision of legal advice, ensuring legal compliance, and providing support services to Council. It also has the responsibility of developing the contracts and to provide legal opinion. The unit maintains litigation register of all cases. It is represented by legal firm which takes litigation matters to court to ensure that all cases are treated with utmost care and due diligence is applied in the management of this cases.

### **3.7.3 Risk Management Services:**

The primary responsibility of the unit is to bring specialist expertise to assist the Municipality to embed risk management and leverage its benefits to enhance performance by assisting management to identify potential events that may affect the municipality, manage risk to be within the municipality's risk appetite, and to provide reasonable assurance regarding the achievement of the set objectives.

### **3.7.4 Procurement Services:**

This unit is responsible for the acquisition of supplies and services in support of the municipality's business. It ensures that all procurement processes are fair, equitable, competitive and cost effective and that it complies with the regulatory framework and consistent with all applicable legislation.

### **Service Providers Strategic Performance**

Section 76(b) of the Municipal Systems Act (MSA) states that KPIs should inform the indicators set for every municipal entity and service provider with whom the Municipality has entered into a service delivery agreement. According to Auditor General of South Africa (AGSA):

- a) Service provider means a person or institution or any combination of persons and institutions which provide a municipal service;
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- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a Municipality; and
- c) Service delivery agreement means an agreement between a Municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person either for its own account or on behalf of the Municipality.

Section 121(b) of the MFMA and Section 46 of the MSA further state that a Municipality should include the following related to service providers in its annual report:

- The performance of each service provider;
- A Comparison of the performance with targets set for and performances in the previous financial year; and
- Measures taken to improve performance.

The following is an analysis of products and services procured by the Municipality for R 200 000 and more.

The table below indicates service providers utilised according to functional areas:

#### Municipal Manager

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	09/10/2023	Applicable Rates	Provision of Internal Audit Services for a period of Three (03) years.	Good	Good	N/A
Bohlabatsatsi Trading and Projects	3 Years	14/09/2018	13/09/2021	Applicable Rates	Provision of publication and printing services for a period of three (03) years	Good	Good	N/A
Re Basadi (Pty) Ltd	3 Years	16/12/2020	16/12/2023	Applicable Rates	Provision of SMS line Data bundles for a period of three (03) years	Good	Good	N/A

#### Corporate Services

Descript	Term	Contra	Contra		Contra	Performa	Perform	Perform	Correc
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ion of service provider	Of Contract	ct Start Date	ct End Date	Extens ion	ct Amou nt	nce Areas/ser vice rendered	ance Rating	ance commen t	tive measu re
Telkom SA	3 Years	01/07/2018	30/06/21	N/A	Applicable Rates	Provision of Telephone Services	Good	Good	N/A
Nonki C Travels	3 Years	09/10/2020	09/10/2023	N/A	Applicable Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A
Makgahlela Mashaba Attorney	3 Years	14/08/2018	14/08/2021	N/A	Applicable Rates	Provision for Legal Services on defending or instituting civil actions institute by or against the Municipality in both magistrate's court and high court for a period of three (03) years	Good	Good	N/A
Ratale Mashifane Attorneys	3 Years	14/08/2018	13/08/2021	N/A	Applicable Rates	Provision of legal services on labour law litigation for a period of three(03) years	Poor	Poor	Letter of termination issued.
Velaphanda Trading and Projects	3 Years	15/10/2020	15/10/2023	N/A	Applicable Rates	Provision of Photo copying services for a period of Three	Good	Good	N/A



						(03) Years.			
LCK Technologies	3 Years	15/10/2020	15/10/2023	N/A	Applicable Rates	Provision of maintenance and support of ICT systems	Good	Good	N/A
Open Technology Kingdom Consulting	3 Years	11/09/2020	11/09/2023	N/A	Applicable Rates	Supply, delivery and Installation of ICT Equipments for a period of Three (03) Years.	Good	Good	N/A

**Budget and Treasury**

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>
Landdata	4 Years	30/06/2019	30/06/2023	N/A	Applicable Rates	Provision of Valuation	Good	Good	N/A
Fidelity Cash Solutions pty (Ltd)	3 Years	05/11/2020	05/11/2023	N/A	Applicable Rates	Provision of Cash Collection Services	Good	Good	N/A
ABSA Bank	5 Years	01/07/2018	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A
Procurement 11	3 Years	14/12/2020	13/12/2023	N/A	Applicable Rates	Provision off Vetting System	Good	Good	N/A
Phasima Trading & Projects	3 Years / 100 000 kms	15/01/2021	15/01/2024	N/A	Applicable Rates	Supply and delivery of Low-bed Truck and maintenance plan for	Good	Good	N/A





						three years			
Jane Furse Tyres Pty (Ltd) JV Kumbaya 4 Trading Pty (Ltd)	5 Years / 120 000 kms	09/01/2020	09/01/2023	N/A	Applicable Rates	Supply and delivery of Traffic Vehicles	Good	Good	N/A
Phutitau Investment	3 Years	05/03/2020	05/03/2023	N/A	Applicable Rates	Supply and delivery of stationery for a period of Three (03) years.	Good	Good	N/A
Dapevet Construction and Project Management (Pty) Ltd	5 Years / 100 000 kms	07/06/2017	06/06/2022	N/A	Applicable Rates	Supply, registration, licensing and delivery of Waste Compactor Truck with maintenance of 5 years or 100 000 Kilos.	Good	Good	N/A
Bravospan 90 CC	3 Years	01/04/2019	30/03/2022	N/A	<b>R1 383 538.14</b>	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A
Maximum Profit Recovery (Pty) Ltd	3 Years	12/12/2019	12/12/2021	N/A	Applicable Rates	Provision of Vat Recovery on Behalf of Makhudut hamaga Local Municipality for a period of 36 Months	Good	Good	N/A



Pheladi Chuene Maintenance and Supplies	3 Years	01/09/2020	31/08/2023	N/A	R 513 685.57	provision of cleaning services	Good	Good	N/A
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**Community Services**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Extension	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Kgwadi Ya Madiba General Trading and Projects	3 Years	17/11/2017	17/11/2020	17/11/2021	Applicable Rates	Maintenance of Madibong Landfill Site for 3 Years	Good	Good	N/A

**Infrastructure Services**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Capotex Trading Enterprise	3 Years	12/07/2018	11/07/2021	Applicable Rates	Repairs and Maintenance of all municipal Electrical infrastructure	Good	Good	N/A
Kgwadi Ya Madiba General Trading and Projects	3 Years	12/10/2018	12/10/2021	Applicable Rates	Repairs and Maintenance of Roads and Storm water	Good	Good	N/A
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	Applicable Rates	Repairs and Maintenance of all municipal Building Infrastructure	Good	Good	N/A



Thabang Matladin g	3 Years	01/10/2020	30/10/2023	Applicable Rates	Repairs and Maintenance of municipal yellow fleet.	Good	Good	N/A
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### ECONOMIC Development and Planning

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Pfukani-Kuisile Consulting	3 Years	01/07/2018	30/06/2021	Applicable Rates	Provision of Land use management for a period of three(03) years	Good	Good	N/A
NT Geomatics Gauteng cc	3 Years	01/05/2019	31/05/2022	Applicable Rates	Provision of support maintenance for GIS	Good	Good	N/A

### 3.7.5 Human Resource Services

Human Resources Management unit priorities to define and align organizational purpose, create organisational alignment and building a successful and sustainable organization. The unit focus on the effective workforce planning, change management processes to help the municipality employees to drive individual transitions and organisational change to reach municipal objectives. Human resources capacitation and empowerment where employees can reach their highest potential with value add to the municipality, recruit and attract the best talent, correct skills and knowledge by creating, marketing and selling an employee value proposition fit for purpose employment.

Human resources provide an enabling platform for a learning, transfer of critical skills and knowledge to cultivate a high performance culture. It is also responsible to communicate the municipality's ethics through HR policies and disciplinary codes.

This unit has been able to complete the development of all job descriptions of all the jobs within the approved Municipal organisational structure, which were evaluated by the District Job Evaluation Committee and are waiting for approval by the Provincial Audit Committee of SALGA.

The Human Resources Unit maintained its recruitment strategy during 2019/2020 to recruit qualified and competent staff to fill vacancies. Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider.



In addition a Workplace Skills Plan has been compiled, submitted to the Local Government Sector Education Training Authority (LGSETA) on an annual basis, and implemented accordingly to attend to the most critical skills development needs. The Human Development Committee was also functional to recommend training needs of all stakeholders of the Municipality.

The Local Labour Forum meetings developed monthly meeting calendar which was adhered to and all the meetings were successfully held.

### **3.7.6 Information and Communication Technology**

Information and Communication Technology Services Unit provides a platform to enable the Municipality to use ICT systems and ICT services to provide the much needed services to the Community of Makhuduthamaga Local Municipality.

ICT Services functions includes setting systems and providing services that enable various departments in the municipality to provide their products and services to the community by hosting such systems on ICT infrastructure.

We have continued to host financial, human resources, electrical, civil engineering, planning, audit, records, communication and traffic systems to enable departments to provide efficient and reliable products and services. We have improved our server infrastructure and networking through the provision of backup and retentions services, introducing new buildings to municipal network infrastructure. We have also improved our wireless network capacity, provided tools of trade to our users, introduced Intranet System to improve communication and continued the use of SMSs to communicate with the community, provision of telecommunication services and data services, and enabling a platform for our users.

### **3.7.7 Contract Management**

#### **SERVICE PROVIDERS STRATEGIC PERFORMANCE AS AT 31 JUNE 2022**

Section 116(2) of the MFMA states that:

The accounting officer of a municipality or municipal entity must -

- a) Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- b) monitor on a monthly basis the performance of the contractor under the contract or agreement



- c) establish capacity in the administration of the municipality or municipal entity
- d) regularly report to the council of the municipality or the board of directors of the entity, as may be appropriate, on the management of the contract or agreement and the performance of the contract

The table below indicates service providers utilised according to functional areas:

### Municipal Manager

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Contract Amount	Performance Areas/Service rendered	Performance Rating	Performance comment	Corrective measure
Re Basadi (Pty) Ltd	3 Years	16/12/2020	15/12/2023	Applicable Rates	Provision of SMS line Data bundles for a period of three (03) years	Good	Good	N/A
CorpMD Consulting (Pty) Ltd	3 Years	09/10/2020	08/10/2023	Applicable Rates	Provision of Internal Audit Services for a period of Three (03) years.	Good	Good	N/A
Bohlabatsatsi Trading and Projects	3 Years	14/09/2018	13/09/2021	Applicable Rates	Provision of publication and printing services for a period of three (03) years	Good	Good	N/A
Deunice Trading (PTY)LTD	03 years	01/10/2021	30/09/2024	Applicable Rates	Provision of publication and printing services for a period of	Good	Good	N/A

*Mmogo re Šomela diphetogo!*

					three (03) years			
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<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>
Telkom SA	3 Years	01/07/2021	30/06/2024	N/A	Applicable Rates	Provision of Telephone Services	Good	Good	N/A
Nonki C Travels	3 Years	09/10/2020	08/10/2023	N/A	Applicable Rates	Provision for travel agency for a period of three(03) years	Good	Good	N/A
Marweshe Attorneys	3 Years	04/12/2019	03/12/2022	N/A	Applicable Rates	Provision for Legal Services on defending or instituting civil actions institute by or against the Municipality in both magistrate's court and high court for a period of three (03) years	Good	Good	N/A
Malope Mahleala & Associates	03 years	04/12/2019	03/12/2022	N/A	Applicable Rates	Provision of legal services on contract	Good	Good	N/A



<b>Descriptio n of service provider</b>	<b>Term Of Contr act</b>	<b>Contra ct Start Date</b>	<b>Contra ct End Date</b>	<b>Exten sion</b>	<b>Contr act Amoun t</b>	<b>Perform ance Areas/se rvice rendered</b>	<b>Perform ance Rating</b>	<b>Perform ance commen t</b>	<b>Correc tive measu re</b>
						and commerci al litigation			
Velaphand a Trading and Projects	3 Years	15/10/2 020	14/10/2 023	N/A	Applic able Rates	Provision of Photo copying services for a period of Three (03) Years.	Good	Good	N/A
Velaphand a Trading and Projects	03 years	04/11/2 018	03/11/2 021	N/A	Applic able Rates	Procurem ent and installatio n of electronic document manage ment system	Good	Good	N/A
LCK Technologi es	3 Years	15/10/2 020	15/10/2 023	N/A	Applic able Rates	Provision of maintena nce and support of ICT systems	Good	Good	N/A
LCK Technologi es	3year s	07/10/2 019	06/10/2 022	N/A	Applic able rates	Provision of Time Manage ment System	Good	Good	N/A
Open Technolog y Kingdom Consulting	3 Years	11/09/2 020	11/09/2 023	N/A	Applic able Rates	Supply, delivery and Installatio n of ICT Equipme nt for a period of Three (03) Years.	Good	Good	N/A
Maphorisa initiatives security and	03 Years	30/11/2 020	29/11/2 023	N/A	Applic able Rates	Provision of Microsoft Licencing	Good	Good	N/A



<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>
projects						for a period of three (03) years			
Rousing Consulting & Communications	3 years	17/10/2020	16/10/2023	N/A	Applicable rates	Provision of municipal intranet with support and maintenance for a period of three (03) years	Good	Good	N/A
Dr. LG Nemukongwe Incorporated		16/01/2019	15/01/2022	N/A	Applicable Rates	Appointment of Occupational Medicine Practitioner Services for a period of three (03) years	Good	Good	Contract expired
Multichoice DStv		22/02/2018	Continuous	N/A	Applicable Rates	Subscription to activate internal television screens	Good	Good	N/A
SITA	5 years	01/03/2018	28/02/2023	SITA	N/A	Provision of Shared Virtual Private Network Service (VPN)	Good	Good	N/A
SITA	5 years	01/03/2018	28/02/2023	SITA	N/A	Provision of Shared Internet Service (WAN)	Good	Good	N/A



**Budget and Treasury**

<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>
Mod Hope Properties CC	5 Years	01/07/2021	30/06/2026	N/A	Applicable Rates	Provision of Valuation	Good	Good	N/A
Fidelity Cash Solutions Pty (Ltd)	3 Years	05/11/2020	05/11/2023	N/A	Applicable Rates	Provision of Cash Collection Services	Good	Good	N/A
ABSA Bank	5 Years	01/07/2018	30/06/2023	N/A	Applicable Rates	Provision of Banking services	Good	Good	N/A
Procurement 911	3 Years	14/12/2020	13/12/2023	N/A	Applicable Rates	Provision of Vetting System	Good	Good	N/A
Jane Furse Tyres Pty (Ltd) JV Kumbaya 4 Trading Pty (Ltd)	5 Years / 120 000 kms	09/01/2020	08/01/2023	N/A	Applicable Rates	Supply and delivery of Traffic Vehicles	Good	Good	N/A
Phutitau Investment	3 Years	05/03/2020	04/03/2023	N/A	Applicable Rates	Supply and delivery of stationery for a period of Three (03) years.	Good	Good	N/A
Pheladi chuene maintenance and general supplier	3 Years	01/09/2020	31/08/2023	N/A	<b>R 513 685 .57</b>	Provision of cleaning services	Good	Good	N/A
Camelsa Consulting	3 Years	01/07/2020	30/06/2020	N/A	Applicable	Provision of Mscoa	Good	Good	N/A



<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>
Group		21	24		Rates	System			
Kunene Makopo Risk Solutions	3 Years	01/07/2021	30/06/2024	N/A	Applicable Rates	Provision of Insurance services for a period of three(03) years	Good	Good	N/A
Bravospan 90 CC	3 Years	01/04/2019	30/03/2022	N/A	<b>R1 383 538.14</b>	Provision of Security Services and access control services for a period of three (03) years	Good	Good	Contact expired
Onkutlwile Security Services	03 Years	01/04/2022	31/03/2022	N/A	<b>Applicable rates</b>	Provision of Security Services and access control services for a period of three (03) years	Good	Good	N/A
Maximum Profit Recovery (Pty) Ltd	3 Years	12/12/2019	11/12/2021	N/A	Applicable Rates	Provision of Vat Recovery on Behalf of Makhudut hamaga Local Municipality for a period of 36 Months	Good	Good	Contract Expired
PK financial consultant cc	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Provision of Vat Recovery on Behalf of	Good	Good	N/A



<b>Description of service provider</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Contract Amount</b>	<b>Performance Areas/service rendered</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective Measure</b>
						Makhuduthamaga Local Municipality for a period of 36 Months			
LL Civil and Construction (Pty) Ltd	3 Years	04/11/2018	03/11/2021	N/A	Applicable Rates	Supply, Delivery and Registration of TLB with maintenance plan of 4000 hours or 3years	Good	Good	N/A
Fleet Horizon Solutions (Pty) Ltd	03 years	01/09/2019	31/08/2022	N/A	Applicable Rates	Supply, delivery and installation of tracking device on all Municipal vehicles for a period of three (03) years.	Good	Good	N/A
Enigma Consulting	03 years	07/05/2019	06/05/2022	N/A	Applicable Rates	Provision for Legal Services on debt collection services for a period of three (03) years	Good	Good	N/A

**Community Services**

<b>Description of service</b>	<b>Term Of Contract</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Extension</b>	<b>Appointed amount</b>	<b>Performance Areas/servi</b>	<b>Performance Rating</b>	<b>Performance comment</b>	<b>Corrective measure</b>
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provider	ct				nt	ce rendered		nt	
Kgwadi Ya Madiba General Trading and Projects	3 Years	17/11/2017	16/11/2020	17/11/2021	Applicable Rates	Maintenance of Madibong Landfill Site for 3 Years	Good	Good	Contract expired
Kgwadi Ya Madiba General Trading and Projects	3 Years	15/01/2021	14/01/2024	N/A	Applicable Rates	Maintenance of Madibong Landfill Site for 3 Years	Good	Good	Contract terminated
Stonefound Engineering solution	3 Years	01/05/2022	30/04/2025	N/A	Applicable Rates	Maintenance of Madibong Landfill Site for 3 Years	Good	Good	N/A
LL Civil and construction (PTY)LTD	3 Years	15/11/2020	14/11/2023	N/A	Applicable Rates	Supply and delivery of sponges and blankets	Good	Good	N/A
Phasima trading and projects	03 Years	15/01/2021	15/01/2024	N/A	Applicable Rates	Supply and delivery of waste collection bags	Good	Good	N/A
Maseke-Shatadi (Pty) Ltd	3 Years	01/10/2017	30/09/2020	N/A	Applicable Rates	Supply, training and calibration of dagger alco test and alcohol breathalyzer for a period of three (03) years	Good	Good	N/A

**Infrastructure Services**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
Capotex Trading Enterprise	3 Years	12/07/2018	11/07/2021	Applicable Rates	Repairs and Maintenance of all	Good	Good	N/A



					municipal Electrical infrastructure			
Mwelase thops construction and projects	03 years	28/10/2021	27/10/2024	Applicable Rates	Repairs and Maintenance of all municipal Electrical infrastructure	Good	Good	N/A
Kgwadi Ya Madiba General Trading and Projects	3 Years	12/10/2018	11/10/2021	Applicable Rates	Repairs and Maintenance of Roads and Storm water	Good	Good	N/A
Kgwadi Ya Madiba General Trading and Projects	3 Years	28/10/2021	27/10/2024	Applicable Rates	Repairs and Maintenance of Roads and Storm water	Good	Good	N/A
Tshwane Engineering	3 Years	20/03/2020	19/03/2023	Applicable Rates	Repairs and Maintenance of all municipal Building Infrastructure	Good	Good	N/A
Thabang Matladin g	3 Years	05/11/2020	04/11/2023	Applicable Rates	Repairs and Maintenance of municipal yellow fleet.	Good	Good	N/A

**ECONOMIC Development and Planning**

Description of service provider	Term Of Contract	Contract Start Date	Contract End Date	Appointed amount	Performance Areas/service rendered	Performance Rating	Performance comment	Corrective measure
NT Geomatics	3 Years	22/02/2019	21/02	Applicable	Provision of support	Good	Good	N/A



*Mmogo re Šomela diphetogo!*

Gauteng cc			/2022	Rates	maintenance for GIS			
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**3.7 .8 Performance Score Card.**



**KPA 1: SPATIAL RATIONALE**

**Strategic Objective: To ensure acquisition and sustainable use of land and promote growth and development**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Annual Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
07	07	08	5	3	62%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET	ANNUAL ADJUSTED TARGETS	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET	ADJUSTED BUDGET	EXPENDITURE
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
SR01	EDP	Land acquisition negotiations with traditional authorities and other land owners	To have Municipal land ownership	No of meetings on land acquisition to be held with identified stakeholders within makhudutha maga jurisdiction by	03 meetings on land acquisition to be held	4 meetings on land acquisition to be held with identified stakeholders within Makhudut hamaga Jurisdiction by 30	4 meetings on land acquisition to be held with identified stakeholders within Makhudut hamaga Jurisdiction by 30 June	03 meetings on land acquisition to be held with identified stakeholders within Makhudut hamaga Jurisdiction	4 meetings on land acquisition held with identified stakeholders within Makhudut hamaga Jurisdiction	Achieved	None	None	Minutes and attendance register	R500	R100	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (‘R000’)	ADJUSTED BUDGET 2021/2022 (‘R000’)	EXPENDITURE 2021/2022 (‘R000’)
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				30 June 2022		June 2022	2022	target achieved								
				No of Hectares surveyed at Portion 3 of the Farm Vergelegen 819 KS by June 2022	1.7 hectors surveyed	0	53 Hectares surveyed at Portion 3 of the Farm Vergelegen 819 KS by June 2022	New project	0 Hectares not surveyed at Portion 3 of the Farm Vergelegen 819 KS	<b>Not achieved.</b>	Project procurement is held in abeyance as per the National Treasury Circular.	To implement the project in the next financial year	Draft survey diagram			
SR02	EDP	Spatial planning/sites demarcated	To have formalized settlement	To appoint Service provider to conduct specialized studies for	New indicator	03 Settlements formally demarcated within Makhudut	To appoint Service provider to conduct	New projects	0 Service provider not	<b>Not Achieved</b>	Project procurement is held in abeyance	To implement the project in 22/23	Appointment letter	R100	R1000	R0.00





NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (‘R000’)	ADJUSTED BUDGET 2021/2022 (‘R000’)	EXPENDITURE 2021/2022 (‘R000’)
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
		on)	s	formal site Demarcation of Maseleseng by 30 June 2022		hamaga by 30 June 2022	specialized studies for formal site Demarcation of Maseleseng by 30 June 2022		appointed		as per the National Treasury Circular.	FY				
SR03	EDP	Monitoring and maintenance of GIS	To efficient and effective operation of GIS system	No. of monitoring and maintenance of GIS activities implemented by 30 June 2022	GIS Strategy in place	05 monitoring and maintenance of GIS activities implemented by 30 June 2022	05 monitoring and maintenance of GIS activities implemented by 30 June 2022	04 Monitoring of household survey for mapping on GIS with the appointed service provider done <b>target achieved</b>	05 monitoring and maintenance of GIS activities implemented	Achieved	None	None	GIS Activity Reports	R1 150	R2 000	R1 314



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
								YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
SR04	EDP	Implementation of LUMS	To improve on land use management	No. of workshop held on LUMS by 30 June 2022	4 workshop on LUM held	04 workshop held on LUMS by 30 June 2022	04 workshop held on LUMS by 30 June 2022	4 of workshops on Land Use Management system held <b>Target Achieved</b>	04 workshop held on LUMS	Achieved	None	None	Attendance Register	R0.00	R0.00	R0.00
SR05	EDP	Monitoring and implementation of building control bylaw	To promote compliance on structural buildings	No. of building/site inspections conducted by 30 June 2022	100 building/site inspections conducted	100 building/site inspections conducted by 30 June 2022	100 building/site inspections conducted by 30 June 2022	100 of building inspections conducted within Makhuduthamaga jurisdiction <b>Target Achieved</b>	100 building/site inspections conducted	Achieved	None	None	Site inspection Reports	R0.00	R0.00	R0.00
SR06	EDP	Building plan assessment	To promote compliance on structural buildings	% of received building plans assessed by 30 June 2022 ( Number of building plans assessed/total number of	100% assessed	100% of received building plans assessed by 30 June 2022 ( Number of building	100% of received building plans assessed by 30 June 2022 ( Number of building	100% of building plans assessment done <b>Target Achieved</b>	100% of received building plans assessed	Achieved	None	None	Building plans Register	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (‘R000’)	ADJUSTED BUDGET 2021/2022 (‘R000’)	EXPENDITURE 2021/2022 (‘R000’)
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				received building plans)		plans assessed/total number of received building plans)	plans assessed/total number of received building plans)									
SR07	EDP	Formalization of Jane-furse	To have approved general plan	To appoint Service provider for lodgment of town planning application for formalization of Janefurse of by 30 June 2022	Feasibility study in place	01 village to be formalized	To appoint Service provider for lodgment of town planning application for formalization of Janefurse of by 30 June 2022	2 Settlements demarcated within Makhuduthamaga <b>target Achieved</b>	0 service provider not appointed	<b>Not Achieved</b>	Project is held on abeyance as per the National Treasury Circular	To implement the project in 22/23 FY	Appointment letter	R500	R800	R0.00
Total														R2 250	R3 900	R1 314



**KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT**

**Strategic Objective: 1.To reduce infrastructure and service backlogs in order to improve quality of life of the community by providing them with roads & storm water, bridges ,electricity and housing**

**2. To promote social cohesion, safety, environmental welfare and disaster management for the municipality.**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
39	39	35	29	06	83%

NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
BS01	Infrastruc ture Services	Construction of road from Mashabela Tribal office to Machacha (10km)	To improve accessibili ty of villages within Makhudut hamaga	No. of km road from Mashabela Tribal office to Machacha to be constructed by 30 June 2022(4.5km )	4.5 km of Mashabe la Tribal office to Machach a construct ed up Road bed.	4.5km of access road from Mashabel a Tribal office to Machacha Constructe d by 30 June 2022	4.5km of access road from Mashabel a Tribal office to Machacha Constructe d by 30 June 2022	4.5 km of Mashabela Tribal office to Machacha constructed up Road bed. <b>Target Achieved</b>	4.5km of access road from Mashabela Tribal office to Machacha Constructed	Achieved	None	None	Progres s Report/ Comple tion Certific ate	R 13 000	R 14 000	R14 000
BS02	Infrastruc ture	Construction of road	To improve	No of km of road from	1 km road	3.5km of access	3.5 km of access road from	1st km road from Mokwete to	0 of 3.5 km access road	<b>Not Achieved</b>	The project has been	Continu ous engage	Progres s	R 14 000	R 9 000	R0.00



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
	Services	from Mkwete to Molepane /Ntoane(1 0km)	accessibili ty of villages within Makhudut hamaga	Mkwete to Molepane /Ntoane to be constructed by 30 June 2022(3.5km )	from Mkwete to Molepan e /Ntoane construct ed up to road bed.	road from Mkwete to Molepane /Ntoane constructe d by 30 June 2022	Mkwete to Molepane /Ntoane constructe d up to roadbed by 30 June 2022	Molepane /Ntoane constructed up to road bed. <b>Target Not Achieved</b>	from Mkwete to Molepane/N toane not constructed up to roadbed		put on hold due to community unrest and a court interdict has been issued.	ment with commun ity leaders to resolve the matter	Report/ Comple tion Certific ate			
BS03	Infrastruc ture Services	Construction of access road from Maila Mapitsane to Magolego Tribal Office(7.5k m	To improve accessibili ty of villages within Makhudut hamaga	No. of km Road from Maila Mapitsane to Magolego Tribal Office constructed up to site Establishment and layout setting-out by 30 June 2022	1 Design develop ed for access road from Maila Mapitsan e to Magoleg o Tribal Office(7. 5km)	7.5km Road from Maila Mapitsane to Magolego Tribal Office constructe d up to site Establishment and layout setting-out by 30June	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
				(7.5km)		2022										
BS04	Infrastruc ture Services	Construction of access road from Glen Cowie Old Post Office to Phokwane (7km)	To improve accessibili ty of villages within Makhudut hamaga	No. of km Road from Glen Cowie Old Post Office to Phokwane constructed up to site Establishment and layout setting-out by 30 June 2022 (7.5km)	1 Design develop ed for access road from Glen Cowie Old Post Office to Phokwan e (7km)	7km Road from Glen Cowie Old Post Office to Phokwane constructe d up to site establishm ent and layout setting by 30June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS05	Infrastruc ture Services	Construction of access road from Lobethal to Tisane(3.3km)	To improve accessibili ty of villages within Makhudut hamaga	No of km of access road from Lobethal to Tisane to site Establishment and layout setting-out	1 Design develop ed for access road from Lobethal to Tisane(3.3km)	4.2km of access road from Lobethal to Tisane(4.2 km)constru cted up to surfacing by 30	4.2 km of access road from Lobethal to Tisane constructe d up to site Establishm ent and layout	1 Designs developed for access road from Lobethal to Tisane(4.2km) <b>Target Achieved</b>	4.2 km of access road from Lobethal to Tisane constructed up to site Establishment and layout setting-out	Achieved	None	None	Progres s Report/ Comple tion Certific ate	R 13 000	R 15 000	R2 663



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/202 1 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
				by June 2022	3km)	June 2022	setting-out by 30 June 2022									
BS06	Infrastruc ture Services	Construction of Mohlala/ Ngwanatsh wane access bridge	To improve accessibi lity of villages within Makhudut hamaga	To construct Mohlala/ Ngwanatsh wane access bridge by 30 June 2022	Contract or for the Constructi on of Mohlala/ Ngwanat shwane access bridge appointe d	Constructio n of Mohlala/ Ngwanats hwane access bridge constructe d by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS07	Infrastruc ture Services	Developme nt of Road Master Plan	To improve accessibi lity of villages within Makhudut hamaga	No of road master plan completed by 30 June 2022	New indicator	01 Road Master plan finalised and approved by council d by 30 June 2022	01 Road Master plan completed by 30 June 2022	01 Draft Road Master Plan not developed however the Project is at tender evaluation stage for the appointmen t of a Consultant <b>Target Not</b>	01 Road Master plan completed	Achieved	None	None	Copy of Road Master Plan	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
								Achieved								
BS08	Infrastructure Services	Repair and Maintenance of roads, bridges and storm water	To improve accessibility of villages within Makhuduthamaga	No of Existing roads, bridges and storm water maintained within MLM by 30 June 2022	40 Existing roads, Bridges and storm water maintained within MKM	50 Existing roads, Bridges and storm water maintained within MLM by 30 June 2022	30 Existing roads, Bridges and storm water maintained within MLM by 30 June 2022	40 Existing roads, Bridges and storm water maintained within MKM <b>Target Achieved</b>	44 Existing roads, Bridges and storm water maintained within MLM	Achieved	None	None	Maintenance report	R 20 500	R44 745	R44 745
BS09	Infrastructure Services	Repairs and Maintenance of electricity infrastructure.	To improve lifespan of service delivery infrastructure	No of electricity infrastructure maintained within MLM by 30 June 2022	16 Existing electricity infrastructure maintained within MKM	25 Existing electricity infrastructure maintained within MLM by 30 June 2022	07 electricity infrastructure maintained within MLM by 30 June 2022	25 Existing electricity infrastructure maintained within MKM <b>Target Achieved</b>	15 electricity infrastructure maintained within MLM	Achieved	None	None	Maintenance report	R 2 200	R2 200	R1 500
BS10	Infrastructure Services	Repairs and Maintenance for other	To improve lifespan of service	No of Municipal facilities/other assets	8 Existing Municipal facilities/other	10 Existing Municipal facilities/o	10 Existing Municipal facilities/o	17 Existing Municipal facilities/other assets maintained	13 Existing Municipal facilities/other assets maintained	Achieved	None	None	Maintenance report	R2 200	R3 300	R3 300





NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
		assets	delivery infrastructure	maintained by 30 June 2022	assets maintained	the assets maintained by 30 June 2022	maintained by 30 June 2022	<b>Target Achieved</b>								
BS11	Infrastruc ture Services	Free Basic Electricity	To improve the lives of indigent households	No of reports compiled on provision of FBE to registered indigents by 30 June 2022	6903 indigent household registered	6903 indigent households provided with FBE by 30 June 2022	12 reports compiled on provision of FBE to registered indigents by 30 June 2022	2287 indigent household provided /collected with tokens of FBE.  <b>Not Achieved</b>	12 reports compiled on provision of FBE to registered indigents	Achieved	None	None	FBE Collecti on report	R 5 000	R3000	R1 955
BS12	Infrastruc ture Services	Upgrading of sports facility phase 2	To improve welfare of community in sports activities	No of sports facility upgraded by 30 June 2022 (phase 2)	1 Sports facility upgraded up to site establishment (phase 2)	1 Sports facility upgraded	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BS13	Infrastruc ture Services	Partitioning of new municipal offices	To create office space for municipal	No of activities of partitioning new	Partitioning new municipal offices	Partitioning of new municipal offices	03 activities of partitioning new	Partitioning new municipal offices up to site	03 activities of partitioning new municipal	Achieved	None	None	Progres s Report/ Comple	R2000	R3000	R2 528



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
		Phase 2	employee s	municipal offices completed by June 2022	up to site establish ment done	completed by June 2022	municipal offices completed by June 2022	establishme nt is not done <b>Not Achieved</b>	offices completed				tion Certific ate			
BS14	Infrastruc ture Services	Construction of Kome internal street ( 4.2km)	To improve accessibili ty of villages within Makhudut hamaga.	No. of km internal street constructed at Kome by June 2022	Consultan t appointe d for Kome internal street(4. 2km)	4.2km internal street constructe d at Kome by 30 June 2022.	4.2km internal street constructe d at Kome by 30 June 2022.	1 Detailed Design developed for Kome Internal street <b>Target Achieved</b>	4.2km internal street constructed at Kome	Achieved	None	None	Progres s report/ complet ion on certifica te	R 21 713	R 22 713	R22 713
BS15	Infrastruc ture Services	Construction of Riverside WWTP to Photo Primary (2.3km)	To improve accessibili ty of villages within Makhudut hamaga	No. of km access road constructed at Riverside WWTP to Photo Primary 30 June 2022	Consultan t appointe d for Riverside WWTP to Photo Primary	2.3km access road constructe d at Riverside WWTP to Photo Primary by 30 June 2022	2.3km access road constructe d of Riverside WWTP to Photo Primary by 30 June 2022	1 Detailed Designs developed for Riverside WWTP to Photo Primary school <b>Target Achieved</b>	2.3km access road constructed to Riverside WWTP to Photo Primary	Achieved	None	None	Progres s report/ complet ion on certifica te	R 15 498	R 18 998	R15 790



NO.	DIREC TORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
BS16	Infrastructure Services	Construction of Malegase to Mapulane access road and bridge (3,5Km)	To improve accessibility within Makhuduthamaga	No of km of access road Malegase to Mapulane constructed up to roadbed and bridge constructed up to foundation level by 30 June 2022	New indicator	3.5 km access road and bridge at Malegase to Mapulane Bridge Constructed up to base layer by 30 June 2022	3.5 km access road constructed up to roadbed and bridge constructed up to foundation level by 30 June 2022	1 Preliminary Designs developed for access road and bridge of Malegase to Mapulane (3.5km)  <b>Target Achieved</b>	3.5 km access road constructed up to roadbed and bridge constructed up to foundation level	Achieved	None	None	Progress Report/ Completion Certificate report	R 20 712	R 20 712	R18 375
BS17	Infrastructure Services	Details designs for construction of Mochadi road and Bridge (2.9km)	To improve accessibility of villages within Makhuduthamaga	No of Detailed Designs developed for access road and bridge at Mochadi (2.8km) by 30 June 2022	0 baseline	01 Detailed Designs developed for access road and bridge at Mochadi (2.9km) by 30 June 2022	01 Detailed Designs developed for access road and bridge at Mochadi (2.8km) by 30 June 2022	New Project	01 Detailed Designs developed for access road and bridge at Mochadi (2.8km)	Achieved	None	None	Detailed Design report	R4 500	R 4 500	R2 088



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
BS18	Infrastruc ture Services	Construction of Manyeleti to Mamone central	To improve accessibili ty of villages within Makhudut hamaga	No of Detailed Designs developmen t for access road from Manyeleti to Mamone central (2.6km) by 30 June 2022	0 baseline	01 Detailed Designs developpe d for access road from Manyeleti to Mamone central (2.6km) by 30 June 2022	01 Detailed Designs developpe d for access road from Manyeleti to Mamone central (2.6km) by 30 June 2022	New Project	01 Detailed Designs developed for access road from Manyeleti to Mamone central (2.6km)	Achieved	None	None	Detaile d Design report	R1000	R 6 595	R1 320
BS19	Infrastruc ture Services	Electrificati on of Dihlabaneng (Ngwanak wena and Malatjane)	To improve Access to electric energy for households	No of households electrical infrastructure installed at Dihlabaneng (Ngwanakw ena and Malatjane) by June	0 baseline	Electrical infrastruc ture installed for 600 households at Dihlabaneng (Ngwanak wena and Malatjane )	Electrical infrastruc ture installed for 600 households at Dihlabaneng (Ngwanak wena and Malatjane )	New Project	0 Electrical infrastructure installed for 600 households at Dihlabaneng (Ngwanakw ena and Malatjane) Not done,	<b>Not Achieved</b>	Project withheld due to insufficient capacity on existing Eskom network	Project is on hold until capacity on the existing network is boosted	Progres s Report/ Comple tion Certific ate report	R 10 800	R 10 800	R958



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
				2022		completed by June 2022	completed by June 2022		however designed developed							
BS20	Infrastruc ture Services	Electrificati on of Matolokwa neng Ph1( 100 units)	To improve Access to electric energy for household s	No of households electrical infrastruc ture installed at Matolokwan eng Phase1( for 100 units)	0 baseline	100 of Household electrified at Matolokw aneng Phase 1By June 2022	Electrical infrastruc ture installed for 100 households at Matolokw aneng Phase 1  completed by June 2022	New Project	0  Electrical infrastructure installed for 100 households at Matolokwan eng Phase 1 Not done, however designed developed	<b>Not Achieved</b>	Project withheld due to insufficient capacity on existing Eskom network	Project is on hold until capacity on the existing network is boosted	Progres s Report/ Comple tion Certific ate report	R 1 800	R1 800	R204
BS21	Infrastruc ture Services	Electrificati on of Mamone Ga Manyaka (170 units), Mamone Mogo dumo (100 units) Mamone Ga	To improve Access to electric energy for household s	No of households electrical infrastruc ture installed at Mamone Ga Manyaka (for 170	0 baseline	295 Electrificati on of Mamone Ga Manyaka (170 units), Mamone Mogodum o	Electrical infrastruc ture installed for 295 households at Mamone Ga	New Project	Electrical infrastructure installed for 295 households at Mamone Ga Manyaka (for 170	Achieved	None	None	Progres s Report/ Comple tion Certific ate report	R 5 310	R5 310	R5310



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
		Mohlala Sec (A2 ext. 25 units)		units, Mamone Mogodumo, 100 units, Mamone Ga Mohlala Sec , 25 units A2 ext. ) by 30 June 2022		(100 units) Mamone Ga Mohlala Sec (A2 ext. 25 units)	Manyaka (for 170 units, Mamone Mogodumo, 100 units, Mamone Ga Mohlala Sec , 25 units A2 ext. ) completed by 30 June 2022		units, Mamone Mogodumo, 100 units, Mamone Ga Mohlala Sec , 25 units A2 ext. ) completed							
BS22	Infrastructure Services	Electrification of Tlame and (32 units) Marishane Porome (100 units)	To improve Access to electric energy for households	No of households electrified at Tlame(32 units) and Marishane Porome (100 units)	0 baseline	132 of Household electrified at Tlame (32 units) and Marishane Porome (100 units) By 30	132 of Household electrified at Tlame (32 units) and Marishane Porome (100 units) By 30	New Project	132 of Household electrified at Tlame (32 units) and Marishane Porome (100 units)	Achieved	None	None	Progress Report / Completion Certificate report	R 2 376	R2 376	R2 376



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
						June 2022	June 2022									
BS23	Infrastruc ture Services	Construction of Mohlala-Mamone R 579 from jane furse access road	To improve accessibili ty of villages within Makhudut hamaga	To advertise designs for Constructio n of Mohlala-Mamone R 579 from jane furse access road by 30 june 2022	0 baseline	0	To advertise designs for Constructio n of Mohlala-Mamone R 579 from jane furse access road Advertise d by 30 june 2022	New Project	Designs for Construction of Mohlala-Mamone R 579 from jane furse access road Advertised	Achieved	None	None	1 tender advert	R0.00	R0.00	R0.00
BS24	Infrastruc ture Services	Construction of access road and bridge from Makgeru Moshate to Mantime Primary (0,85Km)	To improve accessibili ty of villages within Makhudut hamaga	To advertise designs for Constructio n of access road and bridge from Makgeru Moshate to Mantime	0 baseline	0	To advertise designs for Constructi on of access road and bridge	New Project	Designs for Construction of access road and bridge from Makgeru Moshate to Mantime Primary (0,85Km)	Achieved	None	None	Advert for designs	R0.00	R0.00	R0.00



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
				Primary (0,85Km) by June 2022				from Makgeru Moshate to Mantime Primary (0,85Km) advertised by June 2022	advertised							
BS25	Infrastruc ture Services	Construction of road from Mashabela Tribal office to Machacha (5.5 km) PH2	To improve accessibility of villages within Makhudut hamaga	No. of km of road from Mashabela Tribal office to Machacha Phase 2 to be constructed up to subbase by June 2022	4.5km of access road from Mashabe la Tribal office to Machacha phase 2 construct ed up to surfacing (PH1	N/A	5.5km of access road from Mashabel a Tribal office to Machacha phase 2 construct ed up to subbase by June 2022	4.5 km of Mashabela Tribal office to Machacha constructed up Road bed.  <b>Target</b>  <b>Achieved</b>	5.5km of access road from Mashabela Tribal office to Machacha phase 2 constructed up to subbase	Achieved	None	None	Progre ss Report / Compl etion Certific ate report	R12 000	R12 000	R12 000





NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
BS26	Communit y Services	Solid Waste Collections	To promote a healthy and a clean environme nt	No of H/H Solid Waste collected once on weekly basis at Marishane, Glen Cowie newsstand and glen Cowie mathausands by 30 June 2022	500 H/H Collected	700 H/H Solid Waste collected once on weekly basis at Marishane , Glen Cowie newsstand and glen Cowie mathausands by 30 June 2022	700 H/H Solid Waste collected once on weekly basis at Marishane , Glen Cowie newsstand and glen Cowie mathausands by 30 June 2022	500 H/H Solid with Waste collected (once a week ) <b>Target Achieved</b>	700 H/H Solid Waste collected once on weekly basis at Marishane, Glen Cowie newsstand and glen Cowie mathausands	Achieved	None	None	Q1 &Q2 Data Collecti on register  Q3 & Q4 Collecti on register	R13 089	R 28 364	R27 970
				No of skips collected at 19 villages on weekly basis by 30 June 2022	53	50 skips collected at 19 villages on weekly basis	50 skips collected at 19 villages at least once on weekly basis by 30 June 2022	50 skips collected at 27 villages on weekly basis <b>Target Achieved</b>	50 skips collected at 19 villages on weekly basis	Achieved	Lack of monitoring on POEs	Improve in monitoring of indicato r	Collecti on Register			



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
				No of skips procured by 30 June 2022	50	20 skips procured by 30 June 2022	20 skips procured by 30 June 2022	New project	20 skips procured	Achieved	None	None	copy of advert and delivery note	R2000		
				No. of Community consultation program on waste collection conducted within Makhuduthamaga by 30 June 2021	02 Consultation	01 of Community consultation program on waste collection conducted within Makhuduthamaga by 30 June 2022	0	01 of Community consultation program on waste collection conducted within Makhuduthamaga <b>Target Achieved</b>	N/A	N/A	N/A	N/A	N/A	N/A		
BS26	Community Services	Landfill Site Operation	To enhance landfill operations	No of landfill site audit reports compiled by 30 June 2022	New indicator	01 external landfill site audit conducted by 30 June 2022	04 landfill site audit reports compiled by 30 June 2022	New Projects	04 landfill site audit reports compiled	Achieved	None	None	Landfill Site audit reports	R820		
BS27	Community	Environmental Impact assessment	To comply with environment	No of environmental impact	New	01 Environmental	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
	Services	for cluster cemeteries	ntal legislations	assessment report for cluster cemeteries submitted to the municipality by 30 June 2022		Impact Assessment report for cluster cemeteries submitted to the municipality by 30 June 2022										
BS28	Community Services	Environmental care awareness to communities	To promote sustainable environmental system and improve community awareness	No of Environmental awareness and clean up campaigns held at ward (04; 11;18 &19) by 30 June 2022	02	4 Environmental awareness and clean up campaigns held by 30 June 2022.	4 Environmental awareness and clean up campaigns held by 30 June 2022	3 Environmental awareness and clean up campaigns <b>Target Achieved</b>	4 Environmental awareness and clean up campaigns held	Achieved	None	None	Reports and attendance register	R60	R 62	R62
BS29	Community Services	Fencing of cluster cemeteries	To protect gravestones from wandering animals	No Cemeteries fenced at Makhudutha maga jurisdiction by 30 June 2022.	N/A	2 cluster Cemeteries fenced at Makhudutha maga Jurisdiction by 30 June	04 Cemeteries fenced at Makhudutha maga jurisdiction by 30	4 Cemeteries fenced at Makhudutha maga Jurisdiction <b>Target</b>	0 Cemeteries not fenced at Makhudutha maga jurisdiction	<b>Not Achieved</b>	Suspension of PPPF regulations by the national treasury delayed the	The suspension was uplifted and the fences were advertised	Completion certificate	R1050	R 1 050	R0.00



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
						2022.	June 2022.	Achieved			procurement for the 4 <sup>th</sup> Quarter.	ed and will be implemented in the new financial year 2022/2023.				
BS 30	Community Services	Library promotions	To promote the culture of reading and learning	No of Library Awareness Campaign held (Jane Furse ,Phokoane,P atantswane & Ga Phaahla library) by 30 June 2022.	5	8 Library Awareness Campaign held (Jane Furse ,Phokoane ,Patantswane& Ga Phaahla library) by 30 June 2022	8 Library Awareness Campaign held (Jane Furse ,Phokoane ,Patantswane& Ga Phaahla library) by 30 June 2022	0 Library Awareness Campaign held <b>Target Not Achieved</b>	8 Library Awareness Campaign held at Jane Furse ,Phokoane,P atantswane& Ga Phaahla library	Achieved	None	None	Attendance registers & reports	R200	R0.00	R0.00



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATI ON	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
BS 31	Communit y Services	Disaster relief	To provide relieve to disaster affected H/H	Percentage (%) Disaster relief provided.( number of Disaster cases attended /total number of reported disaster cases)by June 2022	100%	100% Disaster relief provided.( number of Disaster cases attended /total number of reported disaster cases)by June 2022	100 % Disaster relief provided.( number of Disaster cases attended /total number of reported disaster cases)by June 2022	100% Disaster relief provided.( Disaster cases attended /total number of reported disaster cases) <b>Target Achieved</b>	100 % Disaster relief provided.( number of Disaster cases attended /total number of reported disaster cases)	Achieved	None	None	Comple ted assessm ent forms	R1600	R 2 400	R2 039
			Percentage (%)relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makuduth	Percentage % of relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makudutha maga procured & distributed	New indicator	100% Disaster relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makuduth	100% of relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makuduth amaga	0% relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makudutha maga not procured & distributed	42% Disaster relief material for prevention of spread of Covid 19 pandemic to internal staff and community of Makudutham aga procured has been	Not Achieved	Purchased material still in progress of the distributio n	Continu e distribut ion	COVID -19 distribut ion register	R1000	R 1 000	R75



NO.	DIREC TORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
			amaga procured & distributed by 30 June 2022	by 30 June 2022(total number of material received /total number of material distributed)		amaga procured & distributed by 30 June 2022	procured & distributed by 30 June 2022(total number of material received /total number of material distributed )	<b>Target Not Achieved</b>	distributed							
BS32	Community Services	Disaster management	To educate communities to respond adequately to disaster events	No of Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30 June 2022	8 Disaster awareness campaigns conducted within jurisdiction	8 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30 June 2022	4 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga by 30 June 2022	6 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga <b>Target Achieved</b>	4 Disaster awareness campaigns conducted within jurisdiction of Makhudutha maga	Achieved	None	None	Attendance register	R0.00	R0.00	R0.00
				No of advisory forums on disaster	100%	3 advisory forums on disaster held by	3 advisory forums on disaster held by	2 advisory forums on disaster	3 advisory forums on disaster	Achieved	None	None	Attendance register	R0.00	R0.00	R0.00



NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIFI CATION	ANNUA L BUDGE T 2021/2 022 ('R000' )	ADJU STED BUDG ET 2021/ 2022 ('R000 ')	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REMEDI AL ACTIO N				
				held by 30 June 2022		30 June 2022	30 June 2022	held  <b>Target Achieved</b>	held							
BS33	Communit y Services	Sports promotion	To promote healthy lifestyle and social cohesion	No of Sports promotion activities (Netball, marathon, soccer, cricket and para-volley held by 30 June 2022	7	7 Sports promotion activities held by 30 June 2022	07 Sports promotion activities (Netball, marathon, soccer, cricket and para-volley held by 30 June 2022	4 Sports promotion activities held  <b>Target Achieved</b>	07 Sports promotion activities held	Achieved	None	None	Attenda nce register	R600	R 1101	R 1101
BS34	Communit y Services	To promote and sustain cultural heritage	To promote and sustain cultural heritage	No Arts and culture promotion activities ( Social Cohesion, Language promotion, Heritage and	8	8 Arts and culture promotion activities held with Makhudut hamaga community by 30	8 Arts and culture promotion activities ( Social Cohesion, Local Language s promotion,	4 Arts and culture promotion activities held with Makhuduth amaga community <b>Target</b>	8 Arts and culture promotion activities held	Achieved	None	None	Attenda nce register			



NO.	DIREC TORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	ANNUAL TARGET 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 ('R000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				creative arts) held within Makhuduthamaga community by 30 June 2022		June 2022	Heritage and creative arts) held within Makhuduthamaga community by 30 June 2022	<b>Achieved</b>								
BS35	Community Services	To promote road safety	To promote road safety	No of Road safety campaigns held at ward 18 by 30 June 2022	4	4 Road safety campaigns held at ward 18 by 30 June 2022	4 Road safety campaigns held at ward 18 by 30 June 2022	4 Road safety campaigns held at ward 18 <b>Target Achieved</b>	4 Road safety campaigns held	Achieved	None	None	Attendance register	R60	R 180	R12
BS36	Community services	Development of Integrated Transport plan	To enhance mode of transport for the community	No of integrated transport plan developed by 30 June 2022	0	01 integrated transport plan developed by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





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NO.	DIREC TORAT E	PROJECT	MEASU RABLE OBJECT IVE	KEY PERFOR MANCE INDICAT OR.	BASELI NE	ANNUA L TARGET 2021/20 22	ANNUA L ADJUST ED TARGET S 2021/20 22	2020/202 1 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEAN S OF VERIF ICATI ON	ANNUA L BUDGE T 2021/2 022 (‘R000’ )	ADJU STED BUDG ET 2021/ 2022 (‘R000’ )	EXPEN DITUR E 2021/2 022 (‘R000’ )
									2021/2022 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVE D	REME DI AL ACTIO N				
Total													R178 588	R234 206	R186 677	



**KPA 3: LOCAL ECONOMIC DEVELOPMENT (LED)**

**Strategic Objective: To create and manage an environment that will develop, stimulate and strengthen local economic growth**

Total Number of Indicators	Total Number of Annual Targets	Total number of Annual Adjusted Targets	Total Number of Achieved Annual Targets	Total Number of Not Achieved Annual Targets	Performance %
09	09	07	05	02	71%

NO .	DIRE CTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFOR MANCE INDICAT OR	BASELI NE	ANNUAL TARGET S 2021/202 2	ANNU AL ADJUS TED TARGE TS 2021/2 022	2020/20 21 YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFIC ATION	ANNU AL BUDG ET 2021/2 022 R'000'	ADJUS TED BUDGE T 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVED/ NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIA L ACTION				
LED 01	EDP	LED forum	To monitor impact and progress on implementation of LED projects	No. of LED forum held by 30 June 2022	02 LED forum held	2 LED forums to be held by 30 June 2022	2 LED forum held by 30 June 2022	02 LED forums held <b>Target Achieved</b>	2 LED forum held	Achieved	None	None	Attendanc e register and Minutes	R0.00	R0.00	R0.00
LED 02	EDP	SMME financial support	To create conducive environment for SMMEs to survive	No of SMMEs financially supported by 30 June 2022	09 SMMEs financially supported	6 SMMEs to be financially supported by 30 June 2022	5 SMMEs financially supported by 30 June 2022	0 SMMEs financially supported <b>Target Not Achieved</b>	5 SMMEs financially supported	Achieved	None	None	SMMEs Report	R1000	R2000	R1 340



NO	DIRE CTORATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFOR MANCE INDICAT OR	BASELI NE	ANNUAL TARGET S 2021/202 2	ANNU AL ADJUS TED TARGE TS 2021/2 022	2020/20 21 YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFIC ATION	ANNU AL BUDGET 2021/2 022 R'000'	ADJUS TED BUDGET 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVED/ NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIA L ACTION				
				No of previously supported SMMEs monitoring done by 30 June 2022	New indicator	10 monitoring previously supported SMMEs financially by 30 June 2022	10 previousl y supporte d SMMEs monitorin g done by 30 June 2022	02 SMME's workshop s conducte d <b>Target Achieved</b>	10 previousl y supporte d SMMEs monitorin g done	Achieved	None	None	SMMEs monitoring Report			
LED 03	EDP	SMME capacity building/tr aining	To upgrade SMME skill capacity	No of capacity building workshop conducted by 30 June 2022	02 capacity building workshops to be conducted	4 SMMEs capacity building workshops to be conducted by 30 June 2022	4 SMMEs capacity building workshop s to be conducte d by 30 June 2022	02 SMME's workshop s conducte d <b>Target Achieved</b>	4 SMMEs capacity building workshop s conducte d	Achieved	None	None	attendanc e register	R0.00	R0.00	R0.00
LED 04	EDP	LED strategy review	To provide direction prioritisatio n of LED projects	No of LED strategy reviewed by 30 June 2022	1 LED	1 LED strategy to be reviewed by 30 June 2022	LED strategy reviewed by 30 June 2022	0 LED strategy not reviewed <b>Target not</b>	0 LED strategy not reviewed	<b>Not achieved</b>	Project was on adjudicati on phase but withdrawn	To implement the project in-house	Reviewed LED strategy	R1000	R1 700	R0.00



NO	DIRE CTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFOR MANCE INDICAT OR	BASELI NE	ANNUAL TARGET S 2021/202 2	ANNU AL ADJUS TED TARGE TS 2021/2 022	2020/20 21 YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFIC ATION	ANNU AL BUDGET 2021/2 022 R'000'	ADJUS TED BUDGET 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVED/ NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIA L ACTION				
								Achieve d			During 3 <sup>rd</sup> Quarter Performance Lekgotla it was resolved that the project be done internally.					
LED 05	EDP	Business plan for Apel Cross Agricultural scheme	To create job opportunities in Agriculture sector	No. of Business plan for Apel Cross Agricultural scheme developed by 30 June 2022	New indicator	1 Business plan for Apel Cross Agricultural scheme developed by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
LED 06	EDP	Tourism development strategy	To unlock tourism potential of in the Municipal	No of tourism development strategy developed	New indicator	1 tourism development strategy to be developed	1 tourism development strategy to be	New projects	01 tourism development strategy	Not Achieved	Project was on adjudication phase but	To implement the project in-	tourism development strategy and	R500	R500	R0.00



NO .	DIRE CTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFOR MANCE INDICAT OR	BASELI NE	ANNUAL TARGET S 2021/202 2	ANNU AL ADJUS TED TARGE TS 2021/2 022	2020/20 21 YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFIC ATION	ANNU AL BUDGET 2021/2 022 R'000'	ADJUS TED BUDGET 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVED/ NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIA L ACTION				
			area	by 30 June 2022		by June 30 2022	develope d by 30 June 2022		not develope d		withdrawn	house	council resolution			
LED 07	EDP	Constructio n of 2 sets of hawkers stalls	To create conducive environment of trading for SMMEs	No of set of hawkers stalls constructed by 30 June 2022	New indicator	2 sets of hawkers stalls constructed by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LED 08	Infrastr uctures Services	Job creation projects through Ward based Expanded Public	To alleviate unemployment and poverty	No of jobs opportunities created through EPWP by 30 June 2022	142 jobs opportunities created through EPWP	142 jobs opportunities created through EPWP by 30 June 2022	142 jobs opportunities created through EPWP by 30 June	142 jobs opportunities created through EPWP <b>Target</b>	142 jobs opportunities created through EPWP	Achieved	None	None	Employment Contracts	R3 200	R4 541	R4 541



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NO .	DIRE CTOR ATE	PROJEC T	MEASUR ABLE OBJECTI VE	KEY PERFOR MANCE INDICAT OR	BASELI NE	ANNUAL TARGET S 2021/202 2	ANNU AL ADJUS TED TARGE TS 2021/2 022	2020/20 21 YEAR ACTUAL ACHIEV ED OR NOT ACHIEV ED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFIC ATION	ANNU AL BUDGET 2021/2 022 R'000'	ADJUS TED BUDGET 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVED/ NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIA L ACTION				
		Works Programm e /Projects					2022	Achieve d								
Total												R5 700	R 8 741	R6 104		



**KPA 4: FINANCIAL VIABILITY**

**Strategic objective: To provide sound and sustainable management of the financial affairs of Makhuduthamaga Local Municipality.**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Annual Targets	Total number of achieved targets	Total number of not achieved target	Performance percentage %
19	19	19	18	01	95%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGETS 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 R'000'	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
BT 01	BTO	Implementation mSCOA	To enhance reporting.	No. of mSCOA financial system modules running live monthly.	9 mSCOA financial system modules running live	9 models running live monthly by 30 June 2022	9 models running live monthly by 30 June 2022	9 models running live monthly <b>Target Achieved</b>	9 models running live monthly	Achieved	None	None	Approved Trial Balance	R1 299	R 3 299	R2 692
BT 02	BTO	Revenue management	To increased own revenue and reduced dependency on	To implement Revenue Enhancement Strategy	Approved revenue enhancement strategy	To implement Revenue Enhancement Strategy Monthly	To implement Revenue Enhancement Strategy Monthly	Target revised	Enhancement Revenue Strategy implemented	Achieved	None	None	Revenue report	R0 00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGETS 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 R'000'	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
			grants.	Monthly until 30 June 2022		until 30 June 2022	until 30 June 2022		Monthly							
				No. of Supplementary valuation rolls developed and implemented by 30 June 2022.	1 of Supplementary valuation rolls developed and implemented	1 of Supplementary valuation rolls developed and implemented done by 30 June 2022.	1 of Supplementary valuation rolls developed and implemented done by 30 June 2022.	1 of Supplementary valuation rolls developed and implemented done <b>Target Achieved</b>	1 of Supplementary valuation rolls developed and implemented done	Achieved	None	None	Supplementary valuation roll	R600	R600	R0.00
BT 03	BTO	Own Revenue collection	To increased own revenue and reduced dependency on grants	% of billed revenue collected ( revenue amount collected vs amount billed)	31% of billed revenue collected ( revenue amount collected vs amount billed)	95% of billed revenue collected (revenue amount collected vs amount billed) by 30 June	95% of billed revenue collected (revenue amount collected vs amount billed) by 30 June	23.9% billed revenue collected (revenue amount collected vs amount	64% of billed revenue collected (revenue amount collected vs amount billed)	<b>Not Achieved</b>	Non-payment of property rates by the high capacity business within our municipality	Continues engagement with business owners Debtor handed over to debt collector	Approved revenue reports	R0.00	R0.00	R0.00





NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGETS 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 R'000'	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				by 30 June 2022		2022.	2022.	billed) <b>Target not Achieved</b>			y	for collection				
BT 04	BTO	Procurement management activities.	To facilitate effective and efficient implementation of SDBIP.	To Develop and implement approved procurement plan by 30 June 2022.	Develop and implement approved procurement plan	To Develop and implement approved procurement plan by 30 June 2022.	To Develop and implement approved procurement plan by 30 June 2022.	Procurement plan Develop and implement approved <b>Target Achieved</b>	Approved Procurement plan developed and implemented	Achieved	None	None	Signed procurement plan	R0.00	R0.00	R0.00
BT 05	BTO	Financial Management capacity building.	To support financial management system within the municipality.	% of FMG spend by 30 June 2021	100% spend on FMG	100% FMG spend by 30 June 2022	100% FMG spend by 30 June 2022	100% FMG spend <b>Target Achieved</b>	100% FMG spend by 30 June 2022	Achieved	None	None	Expenditure report	R 1 650	R1 650	R 1 650



NO.	DIREC TORA TE	PROJEC T	MEASUR ABLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR	BASELIN E	ANNUAL TARGETS 2021/202 2	ANNUAL ADJUSTE D TARGETS 2021/202 2	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICA TION	ANNU AL BUDGE T 2021/2 022 R'000'	ADJUS TED BUDGE T 2021/2 022 ('R000' )	EXPEN DITUR E 2021/2 022 ('R000' )
									2021/202 2YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIAL ACTION				
BT 06	BTO	Budget and reporting .	To ensure Credible and compliant municipal budgeting and reporting.	No. of Draft Annual Budgets prepared and adopted by council by 30 June 2022	1 Draft Annual Budgets prepared and adopted by council	1 Draft Annual Budgets prepared and adopted by council by 30 June 2022	1 Draft Annual Budgets prepared and adopted by council by 30 June 2022	1 Draft Annual Budgets prepared and adopted	1 Draft Annual Budgets prepared and adopted	Achieved	None	None	Council resolution	R0.00	R0.00	R0.00
				No. of approved Annual budgets prepared and adopted by council by 31 May 2022.	1 approved Annual budgets prepared and adopted by council	1 Annual budgets prepared and adopted by council by 31 May 2022	1 Annual budgets prepared and adopted by council by 31 May 2022	1 Annual budgets prepared and adopted	1 Annual budgets prepared and adopted	Achieved	None	None	Council resolution	R0.00	R0.00	R0.00
				No. of annual adjusted budget approved by 28 February	1 annual adjusted budget approved	1 of annual adjusted budget approved by 28 February	1 of annual adjusted budget approved by 28 February	1 of annual adjusted budget approved	1 of annual adjusted budget approved	Achieved	None	None	Council Resolution	R0.00	R0.00	R0.00



NO.	DIREC TORA TE	PROJEC T	MEASUR ABLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR	BASELIN E	ANNUAL TARGETS 2021/202 2	ANNUAL ADJUSTE D TARGETS 2021/202 2	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICA TION	ANNU AL BUDGET 2021/2 022 'R'000'	ADJUSTE D BUDGET 2021/2 022 '(R'000' )	EXPEN DITUR E 2021/2 022 '(R'000' )
									2021/202 2YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIAL ACTION				
					2022	2022	2022	Achieved								
				No. of section 71 reports submitted within first 10 working days of every month	12 section 71 reports submitted	12 section 71 reports submitted within first 10 working days of every month	12 section 71 reports submitted within first 10 working days of every month	12 section 71 reports submitted within first 10 working days Target Achieved	12 section 71 reports submitted within first 10 working days of every month	Achieved	None	None	Acknowledgement of receipt	R0.00	R0.00	R0.00
				No. of AFS submitted to AGSA by 31 August 2022	1 AFS submitted to AGSA	1 AFS submitted to AGSA by 31 August 2022	1 AFS submitted to AGSA by 31 August 2021	1 AFS submitted to AGSA by 31 August Target Achieved	1 AFS submitted to AGSA	Achieved	None	None	Acknowledgement of receipt	R0.00	R0.00	R0.00
BT 07	BTO	Expenditure Monitorin	To ensure authorized	% of creditors paid	30 days	100% of creditors paid within	100% of creditors paid	100% of creditors paid	100% of creditors paid	Achieved	None	None	Payables aging	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR	BASELINE	ANNUAL TARGETS 2021/2022	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 R'000'	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
		g activities.	expenditure and timeous payment of obligations.	within 30 days period by June 2022		30 days period by June 2022	within 30 days period by June 2022	within 30 days period <b>Target Achieved</b>	within 30 days period				analysis			
				No. of creditors reconciliations report prepared and signed within first 10 working days of every month.	12 creditors reconciliations report prepared	12 creditors reconciliations report prepared and signed within first 10 working days of every month by 30 June 2022	12 creditors reconciliations report prepared and signed within first 10 working days of every month by 30 June 2022	12 creditors reconciliations report prepared and signed within first 10 working days of every month <b>Target Achieved</b>	12 creditors reconciliations report prepared and signed within first 10 working days of every month	Achieved	None	None	Payables aging analysis	R0.00	R0.00	R0.00
BT 08	BTO	Asset management	To adequately manage all municipal	No. of assets verification on activities	8 assets verification on activities conducted	8 assets verification activities conducted and	8 assets verification activities conducted and	8 assets verification activities	8 assets verification activities conducted and	Achieved	None	None	Signed asset verification report	R0.00	R0.00	R0.00



NO.	DIREC TORA TE	PROJEC T	MEASUR ABLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR	BASELIN E	ANNUAL TARGETS 2021/202 2	ANNUAL ADJUSTE D TARGETS 2021/202 2	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICA TION	ANNU AL BUDGET 2021/2 022 'R'000'	ADJUS TED BUDGET 2021/2 022 ( 'R000' )	EXPEN DITUR E 2021/2 022 ( 'R000' )
									2021/202 2YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIAL ACTION				
			assets.	conducted and reporting done by June 2022.	d and reporting done	reporting done by June 2022.	reporting done by June 2022.	conducted <b>Target Achieved</b>	reporting done							
				No. of municipal assets repaired or maintained by 30 June 2022.	56 municipal assets repaired maintained	100 municipal assets repaired or maintained by 30 June 2022.	90 municipal assets repaired or maintained by 30 June 2022	56 municipal assets repaired or maintained <b>Target Achieved</b>	145 municipal assets repaired or maintained	Achieved	None	None	Signed Completion certificates	R2000	R6364	R6364
				No. of furniture purchased by 30 June 2022	400 furniture	250 furniture purchased by 30 June 2022	124 furniture purchased by 30 June 2022	400 furniture purchased <b>Target Achieved</b>	149 furniture purchased	Achieved	None	None	Invoices	R500	R1 500	R411
				No. of assets	2014 Assets	2014 Assets	2014 Assets	2014 Assets	2478 Assets	Achieved	None	None	Insurance	R831	R1 662	R1 336



NO.	DIREC TORA TE	PROJEC T	MEASUR ABLE OBJECTIV E	KEY PERFOR MANCE INDICAT OR	BASELIN E	ANNUAL TARGETS 2021/202 2	ANNUAL ADJUSTE D TARGETS 2021/202 2	2020/20 21 YEAR ACTUAL ACHIEVE D OR NOT ACHIEVE D	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICA TION	ANNU AL BUDGET 2021/2 022 'R'000'	ADJUS TED BUDGET 2021/2 022 ( 'R000' )	EXPEN DITUR E 2021/2 022 ( 'R000' )
									2021/202 2YEAR ACTUAL	TARGET ACHIEVED /NOT ACHIEVED	REASON FOR NOT ACHIEVE D	REMEDIAL ACTION				
				insured by 30 June 2022	insured	insured by 30 June 2022	insured by 30 June 2022	insured <b>Target Achieve d</b>	insured by				register			
				No of vehicle procured by 30 June 2022	01	01 vehicle procured by 30 June 2022	01 vehicle procured by 30 June 2022	0 vehicle procure d <b>Target not Achieve d</b>	01 vehicle procured	Achieved	None	None	Delivery note and invoice	R 2000	R5 500	R2 720
BT 09	BTO	Unqualifi ed AGSA audit opinion.	To improve AGSA audit opinion.	To improve AGSA unqualifi ed audit opinion by 30 June 2022	Unqualifi ed audit opinion.	To have Improved Unqualifie d audit opinion by 30 June 2022.	To have Improved Unqualifie d audit opinion by 30 June 2022.	Improve d Unqualif ied audit opinion	Improved Unqualifie d audit opinion	Achieved	None	None	Audit Report	R3 548	R4 766	R4 283
Total														R12 428	R 25 341	R16 736



## 5: Good governance and public participation

**Strategic objective: To promote good governance, public participation, accountability, transparency, effectiveness and efficiency.**

Total Number of Indicators	Total Number of Annual Targets	Total Number of annual Adjusted Targets	Total number of achieved targets	Total number of not achieved target	Performance percentage %
28	28	24	20	04	83%



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
GG 01	Municipal Manager’s Office	Risk management programmes.	To promote an effective risk management .	No of strategic and operational Risk Assessments Conducted by 30 June 2022	6 strategic and operational Risk Assessments conducted	4 strategic and operational Risk Assessments Conducted by 30 June 2022	4 strategic and operational Risk Assessments Conducted by 30 June 2022	4  strategic and operational Risk Assessments Conducted <b>Target Achieved</b>	4	Achieved	None	None	Assessment Reports	R 208	R208	R0.00
									N/A	N/A	N/A	N/A				





ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
				2022.		2022.	2022.									
				No of quarterly reports submitted to Risk committee Meetings by 30 June 2022.	4 quarterly reports submitted to Risk committee Meetings	4 quarterly reports submitted to risk committee Meetings by 30 June 2022	4 quarterly reports submitted to risk committee Meetings by 30 June 2022	4 quarterly reports submitted to risk committee Meetings <b>Target Achieved</b>	4 quarterly reports submitted to risk committee Meetings	Achieved	None	None	Approved risk management committee report			
GG 03	Municipal Manager's office	Implementation of business continuity plan	To ensure that municipality continue with its core function during hostile	To implement the business continuity plans by 30 June 2022	Approved Business continuity plan	To implement the business continuity plans by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	R0.00	R0.00	R0.00



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
			period													
GG 04	Municipal Manager’s Office	Internal Audit	To ensure the effectiveness of internal controls and governance processes.	No. of risk based Internal audits reports conducted by 30 June 2022	13 risk based Internal audits reports conducted	16 risk based Internal audits reports conducted by 30 June 2022	16 risk based Internal audits reports conducted by 30 June 2022	14 risk based Internal audits reports conducted <b>Target Achieved</b>	16 risk based Internal audits perform ed and complete d	Achieved	None	None	Risk Based Audit reports	R1100	R2 600	R2 286
				No. of performance information audits projects performed by 30 June 2022	4 performan ce informatio n audits projects performed	4 performan ce informatio n audits projects performed by 30 June 2022	4 performan ce informatio n audits projects performed by 30 June 2022	4 performan ce informatio n audits projects performed <b>Target Achieved</b>	4 performan ce informatio n audits projects perform ed and complete d	Achieved	None	None	Performa nce informati on audit report			



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)	
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION					
				No. of professional development training, workshop and forum for internal audit personnel attended by 30 June 2022	2 professional development training, workshop and forum for internal audit personnel attended	4 professional development training, workshop and forum for internal audit personnel attended by 30 June 2022	4 professional development training, workshop and forum for internal audit personnel attended by 30 June 2022	4 professional development training, workshop and forum for internal audit personnel attended	4 professional development training, workshop and forum for internal audit personnel attended	Achieved	None	None	Attendance registers / Attendance registers.				



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REME DIAL ACTION				
				Percentage of (%) Ad hoc Audits conducted (Number of completed ad hoc audits/Total number of ad-hoc audits approved.) by 30 June 2022	100% Ad hoc Audits conducted (Number of completed ad hoc audits/Total number of ad-hoc audits)	100% Ad hoc Audits conducted (Number of completed ad hoc audits/Total number of ad-hoc audits approved.) by 30 June 2022	100% Ad hoc Audits conducted (Number of completed ad hoc audits/Total number of ad-hoc audits approved.) by 30 June 2022	100% Ad hoc Audits performed and completed <b>Target Achieved</b>	100% Ad hoc Audits performed and completed	Achieved	None	None	Ad-hoc reports			
<b>GG 05</b>	Municipal Manager's Office	Audit and Performance Committee oversight reports.	To ensure effectiveness of sound financial management and governance structures.	No of Audit and Performance Committee's oversight reports presented to Municipal Council by 30 June	4 Audit and Performance Committee's oversight reports presented to	4 Audit and Performance Committee's oversight reports presented	4 Audit and Performance Committee's oversight reports presented to Municipal Council by 30 June	4 Audit and Performance Committee's oversight reports presented	4 Audit and Performance Committee's oversight reports presented	Achieved	None	None	Audit and performance committee oversight reports and council	R520	R520	R420



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REME DIAL ACTION				
				2022.	Municipal Council	to Municipal Council by 30 June 2022.	2022.	d to Municipal Council <b>Target Achieve d</b>	d to Municipa l Council				resolution			
GG 06	Corpor ate Services	Implemen tation of Customer care plan	To bring services to the communities in collaboration with sector departments	No. of customer care projects implemented in line with the approved customer care plan by 30 June 2022	1 customer care implemen tation plan	12 customer care projects implement ed in line with the approved customer care plan by 30 June 2022	12 customer care projects implemented in line with the approved customer care plan by 30 June 2022	4 customer care implemen tation plan and monitorin g done <b>Target Achieve d</b>	12 customer care projects impleme nted in line with the approve d customer care plan	Achieved	None	None	customer care projects implemen tation plan	R200	R200	R58



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
GG 07	Municipal Manager’s Office	Multi – Media channels	To enhance public participation in the affairs of the municipality	No of SMS send to council and staff by 30 June 2022	56 168 SMS communica tion send	40 000 SMS sent to council and staff by 30 June 2022	40 000 SMS sent to council and staff by 30 June 2022	38 997 SMS Credits <b>Target not Achieved</b>	50 610 SMS sent to council and staff	Achieved	None	None	SMS usage report	R300	R623	R522
		Municipal Radio Slot (contract)	To disseminate municipal projects or programme to community through Radio	No of municipal radio slot conducted by 30 June 2022	New indicator	04 municipal radio slot conducted by 30 June 2022	04 municipal radio slot conducted by 30 June 2022	4 municipal docs publishe d, 2 delivere d in the new financial year <b>Target not Achieved</b>	04 municipa l radio slot conduce d	Achieved	None	None	Invoice Report	R60	R0.00	R0.00



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
GG 08	Municipal Manager’s Office	Publications.	To ensure effective involvement and participation of all stakeholders.	No of documents published done by 30 June 2022	5 documents published done	6 documents published done by 30 June 2022	6 documents published done by 30 June 2022	0 <b>Target not Achieved</b>	6 documents published	Achieved	None	None	Hardcopies of documents published	R2 500	R7 000	R7 000
GG 09	Mayor’s Office	Branding of municipal assets.	To profile and promote Makhudutha maga brand.	No of municipal assets branded by 30 June 2022.	Municipal assets	14 municipal assets branded by 30 June 2022	14 municipal assets branded by 30 June 2022	14 of municipal assets not branded <b>Target not Achieved</b>	0 municipal assets not branded	<b>Not Achieved</b>	Inadequate capacity	Implement project in the next financial year	Confirmation letter by User Department.	R500	R245	R0.00
GG 10	Speaker’s Office	Capacity building of councilors	To ensure effective and efficient good governance.	No of trainings provided to councilors by 30 June 2022.	05 training	8 trainings conducted by 30 June 2022.	8 trainings conducted by 30 June 2022.	03 trainings conducted <b>Target not Achieved</b>	6 trainings conducted	<b>Not Achieved</b>	new Council elections preparations	More trainings to be conducted in the next	Attendance register and time tables	R500	R1 221	R1 221



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REME DIAL ACTION				
								d				financial year				
GG 10	Speake r’s Office	Speaker ‘s Outreach events	To fulfil public participation and deepening participatory democracy.	No of Speakers outreach events conducted by 30 June 2022.	Public participati on framework	4 Speakers outreach events conducted by 30 June 2022	4 Speakers outreach events conducted by 30 June 2022	04 Speakers outreach events conducted <b>Target Achieved</b>	7  Speaker s outreach events conducted	Achieved	None	None	Report and Attendan ce Register	R400	R432	R432
GG 11	Speake r’s Office	Council meetings	To Fulfill legislative mandate	No of ordinary Council meetings held by 30 June 2022.	03 ordinary council meetings held	4 ordinary Council meetings held by 30 June 2022.	3 ordinary Council meetings held by 30 June 2022	4 ordinary Council meetings held <b>Target Achieved</b>	3  ordinary Council meetings held	Achieved	None	None	Report and Attendan ce Register	R200	R771	R616





ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L  ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
				No of special council meetings held by 30 June 2022	09 special council meetings held	8 special council meetings held by 30 June 2022	8 special council meetings held by 30 June 2022	10 special council meetings held <b>Target Achieved</b>	11 special council meetings held	Achieved	None	None	Report and Attendance Register			
GG 12	MM's office	Assessment of Council Standing Oversight committees	To improve Municipal performance and service delivery	No. of project visit conducted by 30 June 2022	03 project visit conducted	4 project visit conducted by 30 June 2022	4 project visit conducted by 30 June 2022	04 project visit conducted <b>Target Achieved</b>	4 project visit conducted	Achieved	None	None	Reports and attendance Register	R0.00	R0.00	R0.00
				% of cases referred to MPAC from council by 30 June 2022	100% of cases referred to MPAC from council investigated	100% cases referred to MPAC from council investigated by 30	100% cases referred to MPAC from council investigated by 30 June 2022	100% cases referred to MPAC from council investigated	<b>Not Achieved</b>	unavailability of historic information	To recommend to write off historical UIF that does not	Investigation Reports	R0.00	R0.00	R0.00	



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)		
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REME DIAL ACTION						
						June 2022		ed <b>Target Achieve d</b>	ted			have supportin g document s.						
						No. of MPAC meeting held by 30 June 2022	12 MPAC meeting held	12 of MPAC meeting held by 30 June 2022	12 of MPAC meeting held by 30 June 2022	10 MPAC meeting held <b>Achieve d</b>	12 of MPAC meeting held	Achieved	None	None	Minutes and attendan ce register	R0.00	R0.00	R0.00
						No of Oversight report compiled and presented to Council by 30 June 2022	01 Oversight report compiled and presented to Council	1 Oversight report compiled and presented to Council by 30 June 2022	1 Oversight report compiled and presented to Council by 30 June 2022	01 Oversigh t report compiled and presente d to Council <b>Target Achieve</b>	01 Oversigh t report compiled and presente d to Council	Achieved	None	None	Oversight report and council resolution	R0.00	R0.00	R0.00



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
								d								
GG 13	Chief Whip’s Office	Whippery meetings	To enhance public participation	No of whippery meetings held by 30 June 2022	3 meetings held	12 whippery meetings held by 30 June 2022	12 whippery meetings held by 30 June 2022	12 whippery meetings held <b>Target Achieved</b>	9  whipper y meetings held	<b>Not Achieved</b>	New Council elections preparatio ns	More meetings to be held in the new financial year	Report and Attendan ce Register	R50	R50	R9
				No of Whippery report generated and submitted to council by 30 June 2022	4 baseline	04 Whippery report generated and submitted to council by 30 June 2022	04 Whippery report generated and submitted to council by 30 June 2022	04 Wippery report generate d and submitte d to council <b>Target Achieved</b>	4  Whipper y report generate d and submitte d to council	Achieved	N/A	N/A	Reports			



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REME DIAL ACTION				
GG 14	Mayor's Office	Mayoral Outreach events	To Fulfill public participation and deepening democracy.	No of Outreach events held by 30 June 2022.	13 outreach event held conducted	16 Outreach events held by 30 June 2022.	16 Outreach events held by 30 June 2022.	09 Outreach events held <b>Target Achieved</b>	16 Outreach events held	Achieved	None	None	Report and Attendan ce Register	R910	R0.00	R0.00
GG 15	Mayor's Office	Special Programm es managem ent	To enhance public participation in special programmes.	No of special programmes conducted by 30 June 2022.	20 Special programm e activities held in the previous financial year.	20 of special programm es conducted by 30 June 2022.	20 of special programmes conducted by 30 June 2022.	17 of special program mes conduce d <b>Target Achieved</b>	26 of special program mes conduce d	Achieved	None	None	Report and Attendan ce register	R1 551	R4 178	R4 178
GG 16	Mayor's Office	HIV/AIDS awareness campaigns	To create HIV/AIDS awareness to Makhudutha maga	No of HIV/AIDS awareness campaigns conducted by 30 June 2022	01 HIV/AIDS activities conducted in the previous financial	10 HIV/AIDS awareness campaigns conducted by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



ID P R E F N O	DIREC TORA TE	PROJEC T	MEASURA BLE OBJECTIV E	KEY PERFORM ANCE INDICATO R.	BASELI NE	ANNUA L TARGET  2021/20 22	ANNUAL ADJUSTE D TARGETS 2021/2022	2020/2 021  YEAR ACTUA L ACHIE VED OR NOT ACHIE VED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFI CATIO N	ANNU AL BUDG ET  2021/2 022  (‘R000’ )	ADJU STED BUDG ET  2021/2 022  (‘R000’ )	EXPEN DITURE 2021/20 22  (‘R000’)
									2021/20 22 YEAR ACTUAL	TARGET ACHIEVE D/NOT ACHIEVE D	REASON FOR NOT ACHIEVED	REMEDI AL ACTION				
			residents		year.											
												R8 999	R18 039	R16 987		

**KPA 6: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT**

**Strategic objective: Improve Internal and External operation of the municipality and its stakeholders**

Total Number of Indicators	Total Number of Annual Targets	Total Number of Adjusted Targets	Total number of achieved targets	Total number of not achieved	Performance percentage %
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				target	
33	33	32	31	01	97%

NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
MTOD 01	EDP	2020/2021 IDP review Activities.	To improve governance and deepen community involvement in the affairs of the municipality .	No of IDP process plans compiled and approved by 30 June 2022	01 Approved 2020/2021 IDP/ Budget	2 IDP process plans compiled and approved by 30 June 2022	1 IDP 2021/2022 process plans compiled and approved by 30 June 2022	2 IDP process plans compiled and approved <b>Target Achieved</b>	1 IDP 2021/2022 process plans compiled and approved	Achieved	None	None	Process plan, and council resolution	R0.00	R0.00	R0.00
				No of IDP process plan implementation reports done by 30 June 2022.	12 IDP process plan implementation reports done	12 IDP process plan implementation reports done by 30 June 2022.	12 IDP process plan implementation reports done by 30 June 2022	12 IDP process plan implementation reports done <b>Target Achieved</b>	12 IDP process plan implementation reports done	Achieved	None	None	IDP process plan reports	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				No of draft 2022/2023 IDP tabled to council by 31 March 2022	1 of 2021/2022 draft IDP	1 draft 2022/2023 IDP tabled to council by 31 March 2022	1 draft 2022/2023 IDP tabled to council by 31 March 2022	1 draft 2021/2022 IDP tabled <b>Target Achieved</b>	1 draft 2022/2023 IDP tabled to council	Achieved	None	None	Draft IDP 2022/2023 and council resolution	R0.00	R0.00	R0.00
				No of 2022/2023 IDP approved by 31 May 2022	1 of 2021/2022 IDP approved	1 2022/2023 IDP approved by 31 May 2022	1 2022/2023 IDP approved by 31 May 2022	1 2021/2022 IDP approved <b>Target Achieved</b>	1 2022/2023 IDP approved	Achieved	None	None	IDP 2022/2023 and council resolution	R0.00	R0.00	R0.00
MTOD 02	EDP	Performance Management	To Improve municipal performance and service delivery.	No of SDBIPs approved by 30 June 2022	2 SDBIPs approved	2 SDBIPs approved by 30 June 2022	2 SDBIPs approved by 30 June 2022	2 SDBIPs approved <b>Target</b>	2 SDBIPs approved	Achieved	None	None	Approved SDBIP and council	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
								Achieved					resolution			
				No of PMS quarterly reports compiled and approved by 30 June 2022	4 PMS quarterly reports compiled and approved	4 PMS quarterly reports compiled and approved by 30 June 2022	4 PMS quarterly reports compiled and approved by 30 June 2022	4 PMS quarterly reports compiled and approved <b>Target Achieved</b>	4 PMS quarterly reports compiled and approved	Achieved	None	None	PMS Quarterly report	R0.00	R0.00	R0.00
				No of Signed appointed Senior Managers performance agreements by 30 June 2022	6 appointed Senior Managers performance agreements signed	6 appointed Senior Managers performance agreements signed by 30 June 2022	6 appointed Senior Managers performance agreements signed by 30 June 2022	6 appointed Senior Managers performance agreements signed <b>Target Achieved</b>	6 appointed Senior Managers performance agreements signed	Achieved	None	None	Signed Agreements	R0.00	R0.00	R0.00





NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				No of Mid-Year Performance report compiled by 30 June 2022	1 Mid-Year performance compiled	1 Mid-Year Performance reports compiled by 30 June 2022	1 Mid-Year Performance report compiled by 30 June 2022	1 Mid-Year Performance reports compiled <b>Target Achieved</b>	1 Mid-Year Performance reports compiled	Achieved	None	None	Mid – Year performance report	R0.00	R0.00	R0.00
				No of quarterly Back to Basics reports Compiled and submitted to CoGHSTA by 30 June 2022	4 quarterly Back to Basics reports Compiled	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA by 30 June 2022	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA by 30 June 2022	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA <b>Target Achieved</b>	4 quarterly Back to Basics reports Compiled and submitted to CoGHSTA	Achieved	None	None	Back to basics quarterly reports	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				No of circular 88 reports compiled and submitted to CoGTA by 30 June 2022	12 B2B monthly reports compiled	12 B2B monthly reports compiled and submitted to CoGTA by June 2022	04 circular 88 reports compiled and submitted to CoGTA by 30 June 2022	12 B2B monthly reports compiled and submitted to CoGTA <b>Target Achieved</b>	04 circular 88 reports compiled and submitted	Achieved	None	None	Circular 88 reports	R0.00	R0.00	R0.00
				Number of Performance management Frameworks reviewed and approved by 30 June 2022	1 Performance management Frameworks reviewed and approved	1 Performance management Frameworks approved by 30 June 2022	1 Performance management Frameworks reviewed and approved by 30 June 2022	1 Performance management Frameworks approved <b>Target Achieved</b>	1 Performance management Frameworks reviewed and approved	Achieved	None	None	council resolution, reviewed and approved PMF	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				Number of Senior Managers performance assessments conducted by 30 June 2021 (2020/2021 Annual and 2021/2022 Mid-Year)	2 Senior Managers performance assessments conducted	2 Senior Managers performance assessments conducted by 30 June 2022	2 Senior Managers performance assessments conducted by 30 June 2022	2 Senior Managers performance assessments conducted <b>Target Achieved</b>	2 Senior Managers performance assessments conducted	Achieved	None	None	Assessments reports	R0.00	R0.00	R0.00
				No of 2020/2021 Annual reports compiled by 30 June 2022	1 2020/2021 Annual report	1 2020/2021 annual reports compiled by 30 June 2022	1 2020/2021 annual reports compiled by 30 June 2022	1 2020/2021 annual reports compiled by 30 June 2022 <b>Target Achieved</b>	1 2020/2021 annual reports compiled	Achieved	None	None	Annual Reports	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
MTOD 03	Corporate Services	Conduct Medical surveillance for employees.	To Ensure occupational health and safety of all municipal employees.	No. of Medical surveillance report generated by 30 June 2022	1 Medical surveillance report generated	3 Medical surveillance report generated by 30 June 2022	1 Medical surveillance report generated by 30 June 2022	02 Medical surveillance report generated	1 Medical surveillance report generated	Achieved	None	None	Medical surveillance report	R0.00	R345	R345
MTOD 04	Corporate Services	Conduct Health Risk Assessment	To ensure safety of employees and clients.	No. of Health risk assessments conducted by 30 June 2022	4 Health risk assessment conducted	4 Health risk assessments conducted by 30 June 2022	4 Health risk assessments conducted by 30 June 2022	4 Health risk assessments conducted	4 Health risk assessments conducted	Achieved	None	None	1 Health risk assessments conducted	R0.00	R0.00	R0.00
MTOD 05	Corporate Services	Monitor Compliance of municipal construction project in line with	To Ensure Compliance with construction regulations for all municipal construction	No of compliance reports generated on municipal construction project	4 compliance reports generated on municipal	4 compliance reports generated on municipal construction project by	2 compliance reports generated on municipal	0 Target not Achieved	1 compliance reports generated on	Achieved	None	None	compliance reports	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
		OHS ACT	projects	by 30 June 2022	construction project	30 June 2022	construction project by 30 June 2022		municipal construction project							
MTOD 06	Corporate services	Provide protective equipment (PPE) (Employee & EPWP) by June 2022	To ensure personal protection in hazardous working environment	No of employees/EPWP provided with protective equipment by 30 June 2022	New indicator	120 of employees/EPWP provided with protective equipment by 30 June 2022	200 of employees/EPWP provided with protective equipment by 30 June 2022	0 Target not Achieved	0 employees/EPWP not provided with protective equipment	<b>Not Achieved</b>	The target was not adequately funded in the approved budget.	Provide the adequate budget in 2022/2023 budget to fund the target and procure the PPE in the first quarter of the new financial year.	Updated PPE Register	R400	R1 131	R731
MTOD 07	Corporate Services	Review and Implement WSP	To provide skilled and capable workforce	No. of WSP and ATR reviewed	1 WSP and ATR reviewed	1 WSP and ATR reviewed by 30 June	1 WSP and ATR reviewed	1 WSP and ATR reviewed	1 WSP and ATR reviewed	Achieved	None	None	WSP and ATR Report and	R500	R500	R380



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
	ces	and ATR	to support inclusive growth.	and submitted by 30 June 2022		2022	by 30 June 2022	<b>Achieved</b>					Acknowledgement letter			
				No. of trainings reports generated by 30 June 2022	04 training report generated	4 trainings reports generated by 30 June 2022	4 trainings reports generated by 30 June 2022	04 trainings reports generated <b>Target Achieved</b>	4 trainings reports generated	Achieved	None	None	Training Reports			
MTOD 08	Corporate Services	Award and manage external bursary fund	To provide academic support to needy student for higher education	No of Bursary fund reports generated by June 2022	04 of Bursary fund reports	04 of Bursary fund reports generated by June 2022	4 of Bursary fund reports generated by June 2022	New projects	4 of Bursary fund reports generated	Achieved	None	None	Bursary report	R2 600	R2 800	R2 800
MTOD 09	Corporate Services	Review of Organisational structure	To provide support to IDP targets for service delivery by reducing the vacancy rate each year.	% of positions filled in line with the approved organizational structure	Approved Organisational structure	75% of positions filled in line with the approved organizational structure by 30 June	50% of vacant positions as at the beginning of the financial	1 Organisational structure reviewed and approved <b>Target</b>	75% of vacant positions as at the beginning of the financial year	Achieved	None	None	Recruitment report	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				by 30 June 2022		2022	year filled in line with the approved organizational structure by 30 June 2022	<b>Achieved</b>	filled in line with the approved organizational structure							
MTOD 10	Corporate Services	Review of HR policies	To ensure compliance with all relevant approved legislation	No. of HR policies reviewed by 30 June 2022	31 HR policies reviewed	10 HR policies reviewed by 30 June 2022	10 HR policies reviewed by 30 June 2022	10 HR policies reviewed <b>Target Achieved</b>	10 HR policies reviewed	Achieved	None	None	Approved HR policy and council resolution	R0.00	R0.00	R0.00
MTOD 11	Corporate Services	Local Labour forum	To ensure compliance with SALGBC collective agreement.	No. of LLF resolution reports created by 30 June 2021	12. of LLF resolution reports created	12 Ordinary meetings held each year by 30 June 2022	9 Ordinary meetings held each year by 30 June 2022	4 LLF resolution reports created <b>Target Achieved</b>	9 Ordinary meetings held	Achieved	None	None	Resolution reports	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
MTOD 12	Corporate Services	Legislative compliance database/register	To receive proper legal outcome for all municipal cases	No. of Legislative compliance database register developed by 30 June 2022	1 Legislative compliance database/register	4 of Legislative compliance database register developed by 30 June 2022	4 of Legislative compliance database register developed by 30 June 2022	4 of Legislative compliance database register developed <b>Target Achieved</b>	4 of Legislative compliance database register developed	Achieved	None	None	Databases compliance Register	R0.00	R0.00	R0.00
MTOD 13	Corporate Services	Monitoring of municipal by laws	To provide support for the implementation of by-laws.	No. of By-Laws meetings/reports generated by June 2022.	4 By-Laws resolution meetings/reports	4 By-Laws resolution meetings/reports generated by 30 June 2022	4 By-Laws resolution meetings/reports generated by 30 June 2022	1 By-Laws resolution meetings/reports generated <b>Target Achieved</b>	4 By-Laws resolution meetings/reports generated	Achieved	None	None	Resolution register and reports	R0.00	R0.00	R0.00
MTOD 14	Corporate Services	Manage municipal Litigation cases	To receive proper legal outcome for all municipal legal cases	No. of municipal legal reports generated by 30 June 2022	1 municipal Litigation reports	4 municipal Litigation reports created by 30 June 2022	4 municipal Litigation reports created by 30 June 2022	12 municipal Litigation reports created <b>Target</b>	4 municipal Litigation reports created	Achieved	None	None	Municipal Litigation report	R550	R1 750	R1 750





NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
			each year				2022	Achieved								
MTOD 15	Corporate Services	Performance Management System (PMS)	To improve performance management and service delivery	Number of middle Managers performance assessments conducted by 30 June 2022 (2019/2020 Annual and 2020/2022 mid-year)	<b>New indicator</b>	2 middle Managers performance assessments conducted by 30 June 2022	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
				No of Signed appointed Middle Managers performance agreement	appointed Middle Managers performance agreement	19 appointed Middle Managers performance agreements signed by 30 June	20 appointed Middle Managers performance agreement	New projects	20 appointed Middle Managers performance	Achieved	None	None	Performance Agreement	R0.00	R0.00	R0.00



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
				ts by 30 June 2022	nts signed	2022	s signed by 30 June 2022		agreeme nts signed							
MTOD 16	Corporate Services	ICT Governance	To strengthen municipal IT governance .	No. of ICT steering committee Registers Developed and Implemented by 30 June 2022	04 ICT Steering Committee Resolution register	No. of ICT steering committee Registers Developed and Implemented by 30 June 2022	4 of ICT steering committee Registers Developed and Implemented by 30 June 2022	4 of ICT steering committee Registers Developed and Implemented <b>Target Achieved</b>	4 of ICT steering committee Registers Developed and Implemented	Achieved	None	None	Committee Resolution Registers	R0.00	R0.00	R0.00
MTOD 17	Corporate Services	IT systems support	To Maintain All ICT Systems through ICT maintenance Plan each year.	No. IT Systems Supported by 30 June 2022	9 IT Systems	9 IT Systems Supported by 30 June 2022	9 IT Systems Supported by 30 June 2022	5 IT and HR Systems supported <b>Target Achieved</b>	9 IT Systems Supported	Achieved	None	None	ICT Reports	R2650	R11890	R11890
MTOD 18	Corporate Services	Implement Municipal ICT Strategy	To implement the approved Municipal	No. of ICT projects conducted in line with the	ICT strategy	8 ICT projects conducted in line with the	5 ICT projects conducted in line	5 ICT projects conducted in line with the	5 ICT projects conducted in line	Achieved	None	None	Reports	R1000	R1000	R1000



NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
	ces		ICT Strategy for all the ICT environment each year	approved ICT strategy by 30 June 2022		approved ICT strategy by 30 June 2022	with the approved ICT strategy by 30 June 2022	approved ICT strategy <b>Target Achieved</b>	with the approved ICT strategy							
MTOD 19	Corporate Services	Develop, Implement and Maintenance of ICT Disaster Recovery Solutions	To Develop, Implement and Maintain DRP for all ICT systems each year.	No. of DRP Developed, Implemented and Maintained by 30 June 2022	New indicator	1 DRP Developed, Implemented and Maintained by 30 June 2022	1 DRP Developed, Implemented and Maintained by 30 June 2022	1 DRP Developed, Implemented and Maintained <b>Target Achieved</b>	1 DRP Developed, Implemented and Maintained	Achieved	None	None	Approved DRP and Council Resolution, Maintenance Report			
MTOD 20	Corporate Services	Review File plan	To improve records management systems by all users each year.	No. of records management projects implemented by 30 June 2022	04 records management	12 of records management projects implemented by 30 June 2022	12 of records management projects implemented by 30 June 2022	12 of records management projects implemented <b>Target Achieved</b>	12 of records management projects implemented	Achieved	None	None	Records Management Reports	R0.00	R0.00	R0.00



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NO.	DIRECTORATE	PROJECT	MEASURABLE OBJECTIVE	KEY PERFORMANCE INDICATOR.	BASELINE	2021/2022 ANNUAL TARGETS	ANNUAL ADJUSTED TARGETS 2021/2022	2020/2021 YEAR ACTUAL ACHIEVED OR NOT ACHIEVED	2021/2022 ANNUAL PERFORMANCE REPORT				MEANS OF VERIFICATION	ANNUAL BUDGET 2021/2022 (R '000')	ADJUSTED BUDGET 2021/2022 ('R000')	EXPENDITURE 2021/2022 ('R000')
									2021/2022 YEAR ACTUAL	TARGET ACHIEVED/NOT ACHIEVED	REASON FOR NOT ACHIEVED	REMEDIAL ACTION				
Total														R7 700	R19 416	R18 896



## CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 4 INTRODUCTION

This chapter addresses information pertaining to the information of an effective performance management system. Organisational development and performance of the municipality. It is classified into four components, namely:

- Component A (Introduction to Municipal Workforce),
- Component B (Managing Municipal Workforce),
- Component C (Capacitating Municipal Workforce) and
- Component D (Managing Municipal Workforce Expenditure)

#### 4.1 COMPONENT A : INTRODUCTION TO THE MUNICIPAL WORKFORCE

To ensure that the organization’s effectiveness is increased, the municipality conducts a personnel needs analysis and makes the necessary provision in the Municipal Budget on an annual basis. To ensure effectiveness and efficiency within the organisation, the municipality annually develops a Workplace Skills Plan, after conducting a training needs analysis. The necessary training is then provided depending on available financial resources. Employees are also provided with all the necessary tools including, but not limited to, ICT tools, furniture, and machinery.

Necessary policies, systems, procedures, and mechanisms are put in place to ensure organizational development. These include, but are not limited to, recruitment, selection, training, discipline, and the retention of staff. Employees are developed as far as possible to assist them to function effectively as human beings and to reach their full potential. Changes in business process and changing environment requires the organization to review its organizational structure on a regular basis.

##### 4.1 .1 Organisational Structure

Name of Department	Number	M	F
Office of the Mayor	08	06	02
Office of the Speaker	08	04	04



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Office of the Municipal Manager	10	02	08
Budget and Treasury	39	18	21
Community Services	59	37	22
Corporate Services	20	09	11
Economic Development and Planning	12	08	04
Infrastructure Development Services	18	11	07
<b>TOTAL</b>	<b>174</b>	<b>95</b>	<b>79</b>

<b>Employee Totals Turnover and vacancies</b>				
11				
<b>Employees: Human Resource Services</b>				
Job Level	2021/22			
	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0 – 3	0	0	0
4 – 6	4 – 6	0	0	0
7 – 9	7 – 9	0	0	0
10 – 12	10 – 12	0	0	0
13 – 15	13 – 15	0	0	0
16 – 18	16 – 18	0	0	0



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19 – 20	19 – 20	0	0	0
<b>Total</b>	<b>Total</b>	<b>21</b>	<b>3</b>	<b>14.3%</b>

**NB: The information on the above table is only totalled as the Municipality does not have salary levels.**

**Financial Performance 2021/22: Human Resource Services**

<b>Details</b>	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>		<b>Commitments</b>	<b>Variance to Budget</b>
<b>Total Operational Revenue (excluding tariffs)</b>	0	0	0	0		0
<b>Expenditure:</b>						
Employees	0	0	0	0		0
Repairs and Maintenance	R 2 614 600.18	R 3 114 600.18	R 4 173 166	-		(R 1 058 566)
Other	-	-	-	-		-
	R1 310 000.00	R1 310 000.00	R 2 314 177	-		(R 1 004 177)
<b>Total Operational Expenditure</b>	<b>R 3 924 600.18</b>	<b>R 4 424 600.18</b>	<b>R 6 487 343</b>	<b>-</b>		<b>(R 2 062 743)</b>
<b>Capital Expenditure 2021/22: Human Resource Services</b>						
<b>Capital</b>	<b>2021/22</b>					

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Projects	Budget	Adjustment Budget	Actual Expenditure	Commitments	Variance to Budget
Total All	0	0	0	0	0
				-	R 2 590 618.26

#### 4.1. 2 Information and Communication Technology (ICT) Services

##### Introduction to Information and Communication Technology (ICT) Services

Information Communication Technology (ICT) services is best positioned to promote effective administration in order to achieve service delivery targets and ultimately have an impact on socio economic development. It is therefore intergral to the fuctionality and efficiency of the Municipality. The target for the reporting period was to achieve improved ICT sytems processes compliant infrastructure and Strategies.

Service delivery priorities for ICT are to ensure that the Municipality has effecient and effective ICT Systems and Infrastructure. The Municipality has adopted and implemented Corporate Gornance of ICT Policy Framework and Related policies as per Department of Public Service and Administration.

The Municipality has during the year under review developed and Approved ICT Strategy and Disater Recovery Plan aimed at addressing the following:

- To manage municipal information and communitaction technology resources and
- To have proper proseses to follow should disaster happen.

Service Objective :	
Installation of Service Desk System	For Management of ICT Service requests.
Procurement of ICT Infrastructure	To procure ICT equipment's as and when required.
Maintenance of ICT Systems and Infrastructure	For routine maintenance of ICT Systems and Infrastructure





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Renewal of Software Licenses	To renew software licenses on annual basis.			
<b>Employees: ICT Services</b>				
Job Level	Job Level			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 – 3	0	0	0	0
4 – 6	0	0	0	0
7 – 9	0	0	0	0
10 – 12	0	0	0	0
13 – 15	0	0	0	0
16 – 18	0	0	0	0
19 – 20	0	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0 %</b>
<b>NB: The information was totalled as the Municipality does not have salary levels.</b>				
<b>Financial Performance 2021/22: ICT Services</b>				
Details	2021/22			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Expenditure:				
Employees	R 2 529 719.84	R 2 529 719.84	R 2 549 110	(R19 390)
Repairs and	R 3 000 000	R	R 12 848 632	(R958 176)



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Maintenance		11 890 455.89		
Other	R 1000 000	R 1000 000	R 2 607 993	(R1 607 993)
<b>Total Operational Expenditure</b>	R 6 529 719.84	R 15 420 175.73	R 18 005 735	(R2 585 559)
<b>Capital Projects</b>	R 1000 000	R 1000 000	R 2 607 993	(R1 607 993)
<b>Total Expenditure</b>	R 6 529 719.84	R 15 420 175.73	R 18 005 735	(R2 585 559)

**4.2 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE LEVELS**

**4.2.1 Municipal workforce management**

Makhuduthamaga Municipality has established policies and procedures for the management of the workforce. The municipal workforce is structured as follows:

- The Municipal Manager as head of administration
- The Municipality had five (5) Senior Managers (who all meet minimum qualification NQF level 6 and competency requirements) and no vacancy existed for section 57 employee.
- Twenty (26) middle managers in various departments who all meet NQF level 6 Qualification.
- The Municipality has other 144 employees comprised of senior officers, officers, traffic officers, clerks, operators and general workers.

<b>Employees</b>				
<b>Description</b>	<b>2021/22</b>			
	<b>Employees (Filled)</b>	<b>Approved posts</b>		<b>Variance</b>
	<b>No.</b>			<b>Variance</b>
				<b>No.</b> %
<b>Water</b>	<b>No.</b>			<b>No.</b> %



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<b>Waste Water (Sanitation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Electricity and Electricity</b>	<b>1</b>	<b>1</b>	<b>0</b>	0%
<b>Waste Management</b>	<b>09</b>	<b>10</b>	<b>01</b>	10%
<b>Roads Waste Water and Storm water Drainage</b>	<b>10</b>	<b>14</b>	<b>04</b>	28.6%
<b>Transport</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Local Economic Development and Planning</b>	<b>12</b>	<b>14</b>	<b>02</b>	14.3%
<b>Community &amp; Social Services</b>	<b>51</b>	<b>60</b>	<b>09</b>	15%
<b>Environmental Protection</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Health</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Security and Safety</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%
<b>Corporate Policy Offices and Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	0%

**Vacancy Rate 2021/22**

<b>Designations</b>	<b>*Total Approved Posts</b>	<b>*Variances (Total time that vacancies exist using fulltime equivalents)</b>	<b>*Variances (as a proportion of total posts in each category)</b>
	<b>No.</b>	<b>No.</b>	<b>%</b>
Municipal Manager	1	0	0 %
CFO	1	0	0 %
Other S57 Managers (excluding Finance Posts)	4	0	0%
Other S57 Managers (Finance posts)	0	0	0 %
Municipal Police	0	0	0 %



Fire fighters	0	0	0 %
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0 %
Senior management: Levels 13-15 (Finance posts)	0	0	0 %
Highly skilled supervision: levels 9-12 (excluding Finance posts)	0	0	0 %
Highly skilled supervision: levels 9-12 (Finance posts)	0	0	0 %
<b>Total</b>	<b>06</b>	<b>0</b>	<b>0</b>

**Comment on vacancies and turnover.**

Eleven (11) officials left the Municipality. Most these of these terminations were as a result of employees employed in political offices whom their contracts were linked to political incumbents and natural occurrence such as death.

**4.2.2 Policies**

The Municipality reviewed seven (7) HR Policies and developed 04 New Human Resource policies during the year under review.

**4.2.3 Injuries, sickness and suspensions**

<b>Number and Cost of Injuries on Duty</b>					
<b>Type of injury</b>	<b>Injury Leave Taken</b>	<b>Employees using injury leave</b>	<b>Average injury leave taken per employee</b>	<b>Average Injury Leave per employee</b>	<b>Total Estimated Cost</b>
	<b>Days</b>	<b>No.</b>	<b>%</b>	<b>Days</b>	
Required basic	0	0	0	0	0



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medical attention only					
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Number of days and Cost of Sick Leave (excluding injuries on duty)**

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	
Lower skilled (Levels 1-2)	0	0	0	0	0	
Skilled (Levels 3-5)	0	0	0	0	0	
Highly skilled production (levels 6-8)	56	2	13	126	3 days	
Highly skilled supervision (levels 9-12)	77	4	14	15	3 days	



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Senior management (Levels 13-15)	7	0	2	26	3 days	
MM and S57	0	0	0	6	0	
<b>Total</b>	<b>140</b>	<b>06</b>	<b>138</b>	<b>161</b>	<b>09 days</b>	
* - Number of employees in post at the beginning of the year						

No cases for injury on duty were reported in the year under review. 1 injury on duty

**Number and Period of Suspensions**

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
1. Traffic Officer	Assault	14 October 2020	Employee underwent through disciplinary hearing and was found not guilty	1 September 2021
2. Supervisor Cashier	Financial misconduct	21 December 2020	Employee underwent disciplinary procedure, pleaded guilty and dismissed	14 <sup>th</sup> July 2021
<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>				



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<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the Municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>
Supervisor Cashier	Failure to comply with finance policies and procedures	Yes	14 <sup>th</sup> July 2021

**NB.** One (1) case of financial misconduct was experienced during the 2021/22 financial year

**Comment on suspensions and cases of financial misconduct:**

One (1) case was received for financial misconduct, employee was suspended, disciplinary hearing was conducted and employee pleaded guilty. Employee was dismissed.



### 4.3 COMPONENT C : CAPACITATING THE MUNICIPAL WORKFORCE

#### 4.3.1 Skills Development and Training

Makhuduthamaga Municipality has in terms of MSA 2000 S 68(1) has endeavoured to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical effective efficient and accountable way by identifying training focused to improve service delivery and also trained 42 officials (of which training for 5 of the 42 officials was on CPMD) during this financial year. Challenges experienced are repeating the same people for more training and training that deviate from their skills audit. This has been addressed by the appointment of Section 57 Managers whose responsibility is to ensure that training is service focused.

#### **Skills Development and related expenditure and on the financial competency regulations:**

The Municipality was able to prepare and submit Workplace Skills Plan for 2021/2022 to LGSETA on time. The Municipality has an appointed Skills Development Facilitator who ensures that the WSP is adhered to. The following milestones were achieved to build capacity within the structures of the Municipality.

All section 57 and finance officials have acquired the MFMA competency requirements by completing MFMP/CPMD.

### 4.4 COMPONENT D : MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

#### 4.4.1 Employee related costs

The municipality has spent **R 90 238 056** as salaries for **176** officials. The expenditure is summarised as follows:

Basic	: R 50 135 343
Bonus	: R 4 238 546
Medical Aid-company contribution	: R 5 146 365
UIF	: R 357 489
SDL	: R 732 440





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Leave pay provision charge	: R 1 325 300
Pension Contribution	: R 9 774 544
Overtime payments	: R 1 237 979
Post-employment benefits costs	: R 862 000
Car allowance	: R 11 378 300
Housing benefits and allowances	: R 2 880 904
Bargaining Council	: R 20 909
Clothing allowance	: R 38 575
Cell phone allowance	: R 2 109 362

#### **4.4.2 Remuneration and allowances of councillors outstanding**

The municipality has spent **R 24 322 441** as remuneration for 62 councillors. The remuneration and allowances of political office bearers and councillors are within the upper limits as determined by the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act 108 of 1996. The expenditure is summarised as follows:

Mayor	: R 936 109
Council Speaker	: R 759 878
Executive Committee members	: R 4 699 833
Other councillors' basic salary	: R 9 883 297
Councillors pension contribution	: R 1 735 152
Travel allowances	: R 3 873 340
Travel claims	: R 27 123
Cell phone allowance	: R 2 091 650
Skill Development Levy (SDL)	: R 134 062
Data cards (62 councillors)	: R 181 997



#### 4.4.3 Disclosure of financial interest

All municipal officials and councillors have disclosed their financial interests in compliance with Municipal Systems Act, 32 of 2000

## CHAPTER 5 : FINANCIAL PERFORMANCE

### 5. INTRODUCTION

This Chapter contains four components, namely:

- Component A (Statement of Financial Performance),
- Component B (Spending against Capital Budget),
- Component C (Cash flow Management and Investments) and
- Component D (Other Financial Matters).

#### 5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Municipality's total original budgeted revenue for the 2021/22 financial year to the amount of **R486 449 267.92** was adjusted to **R 526 099 267.92** which consists of **R 85 915 267.92** from own sources of revenue and **R 385 434 000** from government grants during the first adjustment period in February.

The total actual revenue to date is **R 910 311 390** which makes about **188%** of the total budgeted annual revenue to the amount of **R 486 449 280**.

The Municipality's total budgeted expenditure for the 2021/22 financial year to the amounts of **R 486 449 268** which is made of operational expenditure to the amount of **R 361 275 810** and capital expenditure to the amount of **R 125 173 455**, was adjusted to **R 530 934 706** which is made of operational expenditure to the amount of **R 389 069 720** and capital expenditure to the amount of **R 141 864 986**.

The to-date actual expenditure amounts to **R 865 207 752** for the 2021/22 financial year, reflecting an unauthorized expenditure of **R 362 912 967** as a result of the debt impairment expenditure and other expenditure recognized in the annual financial statement for the 2021/22 financial year as compared to the year to-date budget of **R 486 449 435**.

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The municipality's bank balance as at 30 June 2022 was **R 104 971 637**.

The municipality's total actual revenue as at the end of 30 June 2022 amounts to **R 910 311 390** and total actual operational expenditure of **R 803 430 464** translating in to a net surplus of **R 106 880 926**. Capital expenditure transfers and grants as at the end of 30 June 2022 amounted to **R 81 777 288**.

The following table summarises the overall revenue and expenditure performance as at the end of the 4<sup>th</sup> quarter:

**N.B. Amounts are in "R000"**

Description	2020/21 Pre-Audi outcome	2021/22 YTD Budget	2021/22 YTD Actual	2021/22 YTD Variance
Total Operational revenue	432 680	400 822	828 518	(427 696)
Total operational expenditure	(467 765)	(361 276)	(803 430)	(442 154)
<b>Operating Surplus/Deficit</b>	<b>(35 085)</b>	<b>39 546</b>	<b>25 088</b>	<b>14 458</b>
Operating Capital transfers and grants	70 953	85 627	81 777	3 850
<b>Net Surplus/Deficit after capital transfers</b>	<b>35 868</b>	<b>125 173</b>	<b>106 865</b>	<b>18 308</b>

### 5.1.2 Budgeted Revenue and Actual Revenue to date

- The municipality's total actual revenue as at the end of 2021/22 is **R 910 311 390** which amounts to **188%** of the total budgeted annual revenue to the amount of **R 486 449 280**.
- From the total actual revenue recorded as at the end of 2021/22, **R 381 812 602** is from government grants and transfers and the remaining balance of **R 528 482 708** comes from the own revenue sources.
- The municipality's overall collection rate is **29,2%** as at the end of 2021/22 when comparing the actual cash received from the different sources of our revenue to the billed revenue to date. The municipality's collection rate was **23.4%** in the prior year ended 30 June 2021. Collection on property rates and interests on outstanding debts are the highest contributors to the poor collection rate and the National Treasury was



requested to intervene on the Government properties debts as they contribute the highest percentage to the municipality's debt book.

### 5.1.3 Budgeted Expenditure and Actual Expenditure to date

- a. The municipality incurred a total actual expenditure amounts of **R 865 207 752** as at the end of 2021/22 ending 30 June 2022. This amounts to **177%** of the total annual budgeted expenditure the amount of **R 486 449 435**.

#### Operational Expenditure.

- a. The total operational expenditure as at the end of the 2021/22 ending 30 June 2022 amounts to **R 803 430 470** which equates to **222%** of the total annual operational budget of **R 361 275 947**.
- b. The following table indicates the operational expenditure per standard classification:

LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June									
Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>Revenue By Source</b>									
Property rates	41,316	50,077	50,077	1,573	44,418	50,077	(5,659)	-11%	50,077
Service charges - refuse revenue	135	156	156	13	150	156	(5)	-3%	156
Rental of facilities and equipment	114	138	138	33	107	138	(32)	-23%	138
Interest earned - external investments	1,653	1,650	1,650	453	3,024	1,650	1,374	83%	1,650
Interest earned - outstanding debtors	40,171	41,873	26,873	771	38,355	41,873	(3,518)	-8%	41,873
Fines, penalties and forfeits	-	155	55	1	287	155	132	85%	155
Transfers and subsidies	344,951	299,807	319,807	181	300,035	299,807	228	0%	299,807
Other revenue	5,774	6,967	6,967	436,334	441,635	6,967	434,669	6239%	6,967
Gains	(1,434)	-	-	505	505	-	505	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>432,680</b>	<b>400,822</b>	<b>405,722</b>	<b>439,863</b>	<b>828,518</b>	<b>400,822</b>	<b>427,696</b>	<b>107%</b>	<b>400,822</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	70,953	85,627	65,627	25,673	81,777	85,627	(3,850)	(0)	85,627
<b>Total Revenue (Including capital transfers and contributions)</b>	<b>503,632</b>	<b>486,449</b>	<b>471,349</b>	<b>465,536</b>	<b>910,295</b>	<b>486,449</b>	<b>423,846</b>	<b>0</b>	<b>486,449</b>

#### Capital Expenditure

- a. The total capital expenditure as at the end of 2021/22 amounts to **R 120 674 472** which equates to **96%** of to date budget of **R 125 173 488**. The total capital expenditure includes **R 81 777 288** from conditional grants and **R 38 897 184** from own revenue source.
- b. The following table indicates the operational expenditure per vote and function classification:



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**LIM473 Makhuduthamaga - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June**

Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>Capital Expenditure - Functional Classification</b>									
<i>Governance and administration</i>	52,200	3,700	16,900	19,721	32,369	3,700	28,669	775%	16,900
Finance and administration	52,200	3,700	16,900	19,721	32,369	3,700	28,669	775%	16,900
<i>Economic and environmental services</i>	(8,220)	121,473	124,965	(56,992)	16,045	121,473	(105,429)	-87%	124,965
Planning and development	-	50	50	-	-	50	(50)	-100%	50
Road transport	(8,220)	121,423	124,915	(56,992)	16,045	121,423	(105,379)	-87%	124,915
<i>Trading services</i>	2,457	-	-	(2,482)	(2,482)	-	(2,482)	#DIV/0!	-
Waste management	2,457	-	-	(2,482)	(2,482)	-	(2,482)	#DIV/0!	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>46,437</b>	<b>125,173</b>	<b>141,865</b>	<b>(39,753)</b>	<b>45,932</b>	<b>125,173</b>	<b>(79,242)</b>	<b>-63%</b>	<b>141,865</b>
<b>Funded by:</b>									
National Government	(1,311)	85,627	94,974	(38,382)	20,464	80,925	(60,462)	-75%	94,974
Transfers recognised - capital	(1,311)	85,627	94,974	(38,382)	20,464	80,925	(60,462)	-75%	94,974
Internally generated funds	47,747	44,248	46,891	(1,371)	25,468	44,248	(18,780)	-42%	46,891
<b>Total Capital Funding</b>	<b>46,437</b>	<b>129,875</b>	<b>141,865</b>	<b>(39,753)</b>	<b>45,932</b>	<b>125,173</b>	<b>(79,242)</b>	<b>-63%</b>	<b>141,865</b>

**5.3 Grants expenditure.**

a. The following table shows the expenditure as at the end of 2021/22 per grant:

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	-	319,807	319,807	41,828	290,252	319,807	(29,555)	-9.2%	319,807
Local Government Equitable Share		296,332	296,332	26,400	266,777	296,332	(29,555)	-10.0%	296,332
Finance Management		1,650	1,650	36	1,650	1,650	-		1,650
EPWP Incentive		1,825	1,825	-	1,825	1,825	-		1,825
Integrated National Electrification Programme		20,000	20,000	15,391	20,000	20,000	-		20,000
<b>Total operating expenditure of Transfers and Grants:</b>	<b>-</b>	<b>319,807</b>	<b>319,807</b>	<b>41,828</b>	<b>290,252</b>	<b>319,807</b>	<b>(29,555)</b>	<b>-9.2%</b>	<b>319,807</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	-	65,627	65,627	5,536	61,777	61,777	-		61,777
Municipal Infrastructure Grant (MIG)		65,627	61,777	5,536	61,777	61,777	-		61,777
<b>Total capital expenditure of Transfers and Grants</b>	<b>-</b>	<b>65,627</b>	<b>65,627</b>	<b>5,536</b>	<b>61,777</b>	<b>61,777</b>	<b>-</b>		<b>61,777</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>-</b>	<b>385,434</b>	<b>385,434</b>	<b>47,364</b>	<b>352,029</b>	<b>381,584</b>	<b>(29,555)</b>	<b>-7.7%</b>	<b>381,584</b>

a. The municipality's spending per conditional grant is as follows as at the end of the financial year:



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<b>Conditional Grant details</b>	<b>Received %</b>	<b>Spending %</b>
FMG	100%	100%
EPWP	100%	100%
MIG	100%	100%

#### 5.1.4 ASSET MANAGEMENT

The municipality has approved Assets management policy which govern the utilisation of the municipal assets to ensure that they effectively and efficiently contribute to the service delivery to the communities. The municipality maintains an Asset Register which updated monthly and quarterly assets physical verifications are conducted by the Assets management unit within the Budget and Treasury Office.

The assets verification reports are used to update the repairs and maintenance plan which the main purpose is to ensure that the municipal assets are always in good conditions for service delivery and to prolong the life span of the assets. All assets of the municipality except the roads and infrastructure assets are insured and all vehicles of the municipality are monitored through reputable tracking devices.

The Assets management division is within the Budget and Treasury Office and have two accountants, two officers and led by Manager – Assets. All Assets management staff have completed the minimum competency assessment successfully and are capacitated through regular trainings.

#### 5.1.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

##### Calculation and analysis of the municipality's financial ratios.

The municipality considered the following ratios as part of assessing the going concern status of the municipality as at 30 June 2022 in terms of GRAP1; 27-30:

##### Going concern and Liquidity ratios.

##### ▪ Going concern

- a. After the assessment of the key factors to the going concern of the municipality, it is assumed and concluded that the municipality shall continue operating as a Going Concern and the 2021/22 financial report and the Annual Financial Statements for the year ending 30 June 2022 shall be prepared and presented on a going concern basis.

##### ▪ Liquidity ratios

##### a. Current ration

Current Assets/Current Liabilities (Norm is 2:1)

2022	2021

R 133 102: R 45 932	R 118.217: R 54.499
2.9:1	46.1:1

This ratio measures the Municipality's ability to pay its short-term debt with liquid assets, which are assets easily converted in to cash. The above ratio indicates a current ratio of **2.9.1** that may suggest that the municipality's liquid assets are not easily convertible into cash to can covers the current liabilities as & when they become due by the 30<sup>th</sup> of June 2022.

**b. Debt ratio**

**Total Liabilities/Total Assets**

2022	2021
R 73 098: R 465 312	R 75.935: R 434.106
1 : 6.37	1 : 5.7

This ratio measure how much the municipality's total liabilities are covered by the total assets the results of which measures the solvency of the municipality. The results above show that the municipality is solvent as the total creditors are covered more than nine times by the total assets which improves from **6.37** in the prior year ended 30 June 2022.

**c. Net Operating surplus margin.**

**NORM: Equal to or greater than zero**

$(\text{Total Operating revenue} - \text{Total Operating expenditure}) / \text{Total Operating revenue} \times 100$

2022	2021
$(R\ 515\ 492 - R\ 354\ 598) / R\ 515\ 492$	$(R\ 427\ 373 - R\ 317\ 290) / 427\ 373 \times 100$
<b>=31%</b>	<b>= 26%</b>

- i. The Ratio assesses the extent to which the Municipality generates Operating Surpluses. The above ratio indicates that the municipality reported a net surplus of **31%** for the period ended 30 June 2022.



**d. Collection rate.****NORM: 95%****Formula**

= Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100)

2022	2021
$\frac{(R\ 546\ 510 + R\ 85\ 261) - R\ 374\ 764 - R\ 111\ 256}{R\ 85\ 261}$ <p style="text-align: center;">=170.9%</p>	$\frac{((R472\ 757 + R\ 41\ 533) - (R513\ 384 - R0))}{R\ 41\ 533}$ <p style="text-align: center;">= 23.4%</p>

The Ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration.

The municipality's collection rate is very low as compared to the norm of 95% as per MFMA circular No. 71. However it must be noted that the municipality fund more than 80% of its expenditure through Government Grants, and there have not been any indication that the municipality will not be receiving the grants in the foreseeable future.

The revenue billed from customers, is used to fund mostly the non-cash expenditure items such as depreciation and impairments when preparing the MTREF budget for the municipality to guard against the cash flow risk in cases of poor collection.

The municipality has appointed a firm of debt collectors to assist the municipality in collecting all the outstanding amounts from the local businesses while CoGHSTA through Inter governmental debt forum is assisting the municipality to collecting the outstanding debts owed by government departments. A follow up letter was written to the National Treasury for intervention on the property rates outstanding debts of the Limpopo provincial government and to date no response was received.

## 5.2 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.2.1 Capital Expenditure

c. The total capital expenditure as at the end of 2021/22 amounts to **R 95 715 734** which equates to **62%** of to date budget of **R 154 361 127**.

d. The following table indicates the operational expenditure per vote and function classification:

June									
Vote Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Capital Expenditure - Functional Classification</b>									
<i>Governance and administration</i>	52,200	3,700	16,900	19,721	32,369	3,700	28,669	775%	16,900
Finance and administration	52,200	3,700	16,900	19,721	32,369	3,700	28,669	775%	16,900
<i>Economic and environmental services</i>	(8,220)	121,473	124,965	(56,992)	16,045	121,473	(105,429)	-87%	124,965
Planning and development	-	50	50	-	-	50	(50)	-100%	50
Road transport	(8,220)	121,423	124,915	(56,992)	16,045	121,423	(105,379)	-87%	124,915
<i>Trading services</i>	2,457	-	-	(2,482)	(2,482)	-	(2,482)	#DIV/0!	-
Waste management	2,457	-	-	(2,482)	(2,482)	-	(2,482)	#DIV/0!	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>46,437</b>	<b>125,173</b>	<b>141,865</b>	<b>(39,753)</b>	<b>45,932</b>	<b>125,173</b>	<b>(79,242)</b>	<b>-63%</b>	<b>141,865</b>
<b>Funded by:</b>									
National Government	(1,311)	85,627	94,974	(38,382)	20,464	80,925	(60,462)	-75%	94,974
Internally generated funds	47,747	44,248	46,891	(1,371)	25,468	44,248	(18,780)	-42%	46,891
<b>Total Capital Funding</b>	<b>46,437</b>	<b>129,875</b>	<b>141,865</b>	<b>(39,753)</b>	<b>45,932</b>	<b>125,173</b>	<b>(79,242)</b>	<b>-63%</b>	<b>141,865</b>

### 5.2.2 Source of Finance

The municipal finance was sources from:

- i) Local Government Equitable Shares
- ii) Finance Management Grant
- iii) Expanded Publics Works Program
- iv) Municipal Infrastructure Grant
- v) Municipal Disaster Management Grant

### 5.2.3 Capital Spending on 5 Largest Projects

PROJECT NAME	EXPENDITURE (R'000)

5.3 km Stocking internal road	R 23 787
4 km Marishane Phaahla internal streets	R21 209
Mashabela to Mphanama access road	R16 902
Ga-Mampane access road	R11 402
Kome access road	R7 991

### **5.3 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**

The municipality will have to cut expenditures to ensure that, the approved budget is within the available resources and reliably estimated cash flows going forward to avoid a net decrease in cash.

#### **5.3.1 Cash Flow**

##### **Analysis of Future cash flow projections and cash flow assumptions.**

The following table indicates the cash flow forecasts for the next three financial years in terms of MBRR and MFMA which shows a favourable closing cash balances for each financial year:

LIM473 Makhuduthamaga - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>R thousands</b>								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	19,970	160,545	-	145,939	19,970	125,969	631%	19,970
Service charges	-	156	56	-	-	156	(156)	-100%	156
Other revenue	-	7,105	30,856	-	5,675	7,105	(1,430)	-20%	7,105
Transfers and Subsidies - Operational	-	319,807	319,807	-	320,035	319,807	228	0%	319,807
Transfers and Subsidies - Capital	-	65,627	65,627	-	61,777	65,627	(3,850)	-6%	65,627
Interest	-	-	1,650	-	2,693	-	2,693	#DIV/0!	-
<b>Payments</b>									
Suppliers and employees	646	(281,504)	(339,511)	-	(396,923)	(281,504)	115,419	-41%	(281,504)
Transfers and Grants	-	(5,200)	(7,200)	-	(2,654)	-	2,654	#DIV/0!	(5,200)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>646</b>	<b>125,961</b>	<b>231,830</b>	<b>-</b>	<b>136,543</b>	<b>131,161</b>	<b>(5,382)</b>	<b>-4%</b>	<b>125,961</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Capital assets	529,081	(125,173)	(141,865)	39,753	(45,932)	(125,173)	(79,242)	63%	(125,173)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>529,081</b>	<b>(125,173)</b>	<b>(141,865)</b>	<b>39,753</b>	<b>(45,932)</b>	<b>(125,173)</b>	<b>(79,242)</b>	<b>63%</b>	<b>(125,173)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>529,728</b>	<b>787</b>	<b>89,965</b>	<b>39,753</b>	<b>90,611</b>	<b>5,987</b>	<b>84,624</b>	<b>1413%</b>	<b>787</b>
Cash/cash equivalents at beginning:	-	104,325	14,360	93,722	14,360	14,360	-		14,360
Cash/cash equivalents at month/year end:	529,728	105,112	104,325	133,475	104,971	20,347	84,624	416%	15,147

EC139 Enoch Mjijima - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2021/22									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2022/23	+2 2023/24
R thousands		A	3	4	5	6	7	8	9	10		
			A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		19,970	-					140,575	140,575	160,545	41,263	47,350
Service charges		156	-					(100)	(100)	56	240	350
Other revenue		7,105	-					23,751	23,751	30,856	35,930	39,335
Transfers and Subsidies - Operational	1	319,807	-					-	-	319,807	311,969	303,538
Transfers and Subsidies - Capital	1	65,627	-					-	-	65,627	70,915	74,072
Interest		1,650	-					-	-	1,650	1,800	1,910
Dividends		-	-					-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(281,504)	-					(65,207)	(65,207)	(346,711)	(307,182)	(311,692)
Finance charges		-	-					-	-	-	-	-
Transfers and Grants	1	(5,200)	-					5,200	5,200	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>127,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>104,219</b>	<b>104,219</b>	<b>231,830</b>	<b>154,935</b>	<b>154,863</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		-	-					-	-	-	-	-
Decrease (increase) in non-current receivables		-	-					-	-	-	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
<b>Payments</b>												
Capital assets		(125,173)	-					(16,692)	(16,692)	(141,865)	(120,150)	(85,905)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(125,173)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,692)</b>	<b>(16,692)</b>	<b>(141,865)</b>	<b>(120,150)</b>	<b>(85,905)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-	-					-	-	-	-	-
Borrowing long term/refinancing		-	-					-	-	-	-	-
Increase (decrease) in consumer deposits		-	-					-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-	-					-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>2,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,527</b>	<b>87,527</b>	<b>89,965</b>	<b>34,785</b>	<b>68,958</b>
Cash/cash equivalents at the year begin:	2	49,112	-					(34,752)	(34,752)	14,360	14,791	15,087
Cash/cash equivalents at the year end:	2	51,549	-					52,776	52,776	104,325	49,577	84,045

The 2021/22 MTREF provide for a net increase in cash of R 90 million for the 2021/22 financial year, net increase of R 34.8 million in 2022/23 and net increase in cash R 69 million in 2023/24 resulting from the cash recovered from SARS that is not committed to fund any expenditure as per the approved budget.

## Cash flow assumptions

### a. Assumption for projected revenue

**Property rates** - R 50 million will be received in 2021/22 financial year and increases to R 51.6 million by 2022/23 financial year. The municipality collected R 145.9 million in the current year ended 30 June 2022 and confident that the projections for the MTREF are realistic based on the current collection rate on Property rates.

**Other Income** - R 26.5 million will be received from other income which consists mainly of VAT recovery for capital expenditure and other contracted services for operational purposes. VAT recovery collection is R 20.8 million as at 30 June 2022.

**Transfers from National government** - Projected to be received at 100%. There has not been any indication that National Treasury will withdraw any of the gazetted grants allocated for the municipality for the 2020/21 MTREF.

**Trade and other payables** – Projected to be paid within 30 days of receiving the invoice in the ordinary course of business.

**Capital and Operational expenditure** – Projected to be spent above 95% taking in to account commitments and payables as at 30 June 2022.

**b. Basis for the assumptions and management future plans on cash flow management.**

- i. The cash flow projections for Property rates were calculated based on the historical trends on property rates collection rate. The municipality has signed payment agreements with certain local business and are currently paying on a monthly basis. A debt collector has also been contracted to assist the municipality in enforcing the credit control policy of the municipality to improve collection on property rates.
- ii. The municipality always strive to comply with all reporting requirements by National Treasury and other transferring departments for grants and therefore, it is not expected that any part of the grants allocated to the municipality as per the DoRA published in 2020 will be withheld. Therefore, the grants are expected to be received at 100% as budgeted for in the 2021/22 MTREF.
- iii. Management of the municipality has resolved to procure goods and services for operational expenses using termed contracts to solve the challenges of delays in Supply Chain Processes which affects service delivery and budgeted expenditure negatively. Therefore, it is assumed that the municipality will be able to spend over 95% of its operational expenditure by year end.
- iv. The consultants for capital projects are appointed a year before construction is expected to start to complete the designs for the projects on time. Contractors for all capital projects implemented during 2021/22 financial year, have been appointed already, which allows them enough time to complete the projects targets within the planned financial year. Other factors such as Natural factors and strikes were considered in making the assumption that, the projects will be completed

by the end of the 2021/22 financial year. It is therefore assumed that the capital expenditure as per the budget will be spent above 95% by year end.

### **5.3.2 BORROWING AND INVESTMENTS**

The municipality did not have any borrowings for the year ended 30 June 2022. The municipality did not make any investment during the year ended 30 June 2022. The interests earned was for the positive bank balance throughout the year.

### **5.3.3 PUBLIC PRIVATE PARTNERSHIPS**

The municipality did not enter into any Public Private Partnership agreements during and before the year ended 30 June 2022.

## **5.4 COMPONENT D: OTHER FINANCIAL MATTERS**

### **5.4.1 SUPPLY CHAIN MANAGEMENT**

- a. Section 6.3 of the Supply chain management Policy” The Accounting Officer must, within 10 working days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the executive committee”
- b. Section 6.4 of the Supply Chain Management Policy” The reports must be made public in accordance with section 21A of the Municipal Systems Act”.

#### **1. Adoption of SCM Policy**

The Council has adopted an SCM policy in terms of SCM regulation 3

#### **2. Staff Employed In SCM unit**

The unit comprise of Six filled posts and no vacant post. SCM Baseline survey completed and sent to National Treasury.

#### **3. Job descriptions**

The posts have job descriptions

#### **4. Implementation Plan for SCM**

Detailed Procurement Plan has been developed and approved by the municipal manager. The plan is implemented.

5. Performance of Vendors

Performance of vendors performed regularly by the Contract management officer in consultation with the user department.

6. Monitoring of SCM Policy

SCM processes are independently monitored to ensure the SCM policy is followed and desired objectives are achieved

7. Threshold values

Threshold values contained in the SCM Policy are aligned with the values stipulated in regulation 12.

8. Municipal bid documents

Municipal bid documents include evaluation criteria for use by the bid evaluation and adjudication committees. The documents made available for at least three days before the compulsory briefing date (if applicable).

9. Code of Conduct

All SCM Officials and Bid committee members have signed a Code of Conduct.

10. Invitations for bids.

All invitations for bids above R30 000 are advertised for at least 7 days on the website and official notice board (reg. 18(a)).

11. In addition, all invitations for competitive bids are publically advertised

All invitations for competitive bids are publically advertised in newspapers commonly circulating locally (reg. 22(1))

12. Training strategy for SCM practitioners

- Training strategy for SCM practitioners has been developed through corporate Services.
- SCM officials have completed a minimum requirement level (MFMP).

13. Bid Specification Committee.

Bid Specification Committee membership comply with regulation 27.

14. Bid Evaluation Committee

Bid Evaluation Committee membership comply with regulation 28.

15. Bid Adjudication Committee membership comply with regulation 29



Bid Adjudication Committee membership comply with regulation 29

16. Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee

Regulation 29(4), which stipulates that a member of a bid evaluation committee or an advisor may not be a member of a bid adjudication committee, has never been breached.

17. Circular 82 approved by council and implemented.

18. Municipal Cost containment policy developed and awaiting council approval.

#### **5.4.2 GRAP COMPLIANCE**

The municipality is currently implementing the Municipal Standard Chart of Account which is aligned to both the requirements of the MBRR and the GRAP Standards to ensure fair presentation of the municipality's financial information in the Annual Financial Statements and to ensure accountability by those charged with the responsibilities to manage and govern the municipality.

The municipality's Annual Financial Statements for the year ended 30 June 2022 are GRAP compliant and the municipality has received an Unqualified Audit Opinion from The Auditor General of South Africa for the said financial year.

The Budget and Treasury Office has the CFO and managers who possess the minimum competency requirements for financial management officials and are regularly capacitated on GRAP compliance through annual trainings at institutions of higher learning and those offered by SALGA and CIGFARO.

## CHAPTER 6 – AUDITOR GENERAL OF SOUTH AFRICA AUDIT FINDINGS

## 6.1 AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

## 6.1.1 Auditor General of South Africa summary of findings for prior Year 2020/2021

<b>Auditor-General Report on Financial Performance: Year – 2020/2021</b>	
<b>Audit Report Status*:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non Compliance with section 112 of the MFMA resulting in irregular expenditures	Create and implement SCM regulations compliance checklist for all procurements and the checklist must be signed off by the chairperson of the adjudication committee and the Municipal Manager before appointments are made to ensure full compliance Report the Irregular expenditure to council for investigations and implement the council resolutions regarding the investigated irregular expenditure.
Unauthorised expenditure	Lock the Budget module in the financial system to reject all expenditure request exceeding the available budget
Provision for debt impairment incorrectly calculated	Recalculate the debt impairment using the accurate information and prepare monthly reconciliations for impairment.

## 6.1.2 Auditor General of South Africa summary of findings Prior Year 2020/2021

<b>Auditor-General Report on Service Delivery Performance: Year -2020/21</b>	
<b>Audit Report Status:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Indicators not measurable	Review the SDBIP and IDP to correct the Measurable objectives and Indicators to be SMART.

## 6.2 FINDINGS AND ACTION PLAN

### 1.2.1 AUDITOR GENERAL's Findings

<b>Auditor-General Report on Service Delivery Performance: Year -2021/22</b>	
<b>Audit Report Status:</b>	<b>Unqualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Material Misstatement were identified on Bad debts written off, Debt impairment, Provision for impairment, Revenue from non-exchanged transactions, Irregular expenditure, unauthorised expenditure, Prior period errors, Statement of comparison of budget and actual amounts and Property, plant and equipment.	<p>Review the compliance checklist for all procurements and the implementation of the SCM regulations to ensure non-occurrence of the finding.</p> <p>Recalculate the debt impairment using the accurate information and prepare monthly reconciliations for impairment.</p> <p>Report the Irregular expenditure to council for investigations and implement the council resolutions regarding the investigated irregular expenditure.</p> <p>To review AFS disclosure notes to ensure completeness of the disclosure notes.</p>

<b>Auditor-General Report on Service Delivery Performance: Year 2021/2022</b>	
<b>Status of audit report**:</b>	Qualified
<b>Non Compliance Issues</b>	<b>Remedial Action taken</b>
AGSA identified material misstatements in the annual performance report: these material misstatement were on the reported performance information on KPA 2:Basic service delivery and infrastructure development	Review the measuring indicators in the SDBIP to ensure they clearly address the objective we want to achieve.

<b>Auditor-General Report on Service Delivery Performance: Year 2020/2021</b>	
<b>Status of audit report**:</b>	Unqualified

### 6.2.2 Audit Action Plan

See Attachment

### APPENDICES DESCRIPTIONS

See attachments

**Appendix A : Councillors; Committee Allocation and Council Attendance**

**Appendix B : Committee and Committee Purpose**

**Appendix C : Third Tier Administrative structure**

**Appendix D : Functions of Municipality/Entity**

**Appendix E : Ward Reporting**

**Appendix F : Ward Information**

**Appendix G : Recommendations of the Municipal Audit Committee**

**Appendix H : Long term Contracts and Public Private Partnership**

**Appendix I : Municipal Entity/Service Provider Performance Schedule**

**Appendix J : Disclosure of Financial Interest**

**Appendix K : Revenue Collection Performance**

**Appendix K (i) : Revenue Collection Performance by Vote**

Vote Description R thousand	R ef	2020/21	Budget Year 2021/22							
		Audited Outcom e	Original Budget	Adjuste d Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD varia nce %	Full Year Forecast
<b>Revenue by Vote</b>	1									
<b>Vote 1 - Executive &amp; Council</b>		-	-	-	-	-	-	-		-
1.1 - Mayor and Council		-	-	-	-	-	-	-		-
1.2 - Municipal Manager, Town Secretary and Chief Executive		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-

	-	-	-	-	-	-	-	-	-
<b>Vote 2 - Finance &amp; Administration</b>	<b>503 636</b>	<b>486 449</b>	<b>467 499</b>	<b>29 249</b>	<b>479 302</b>	<b>467 499</b>	11 803	3%	<b>467 499</b>
2.1 - Fleet Management	-	-	-	-	-	-	-	-	-
2.2 - Finance	503 603	486 449	467 499	29 249	479 302	467 499	11 803	3%	467 499
2.3 - Asset Management	33	-	-	-	-	-	-	-	-
2.4 - Human Resources	-	-	-	-	-	-	-	-	-
2.5 - Legal Services	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
2.7 - Risk Management	-	-	-	-	-	-	-	-	-
2.8 - Supply Chain Management	-	-	-	-	-	-	-	-	-
2.9 - Marketing, Customer Relations, Publicity and Media Co-ordination	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Vote 3 - Finance &amp; Administration 2</b>	-	-	-	-	-	-	-	-	-
3.1 - Administrative and Corporate Support	-	-	-	-	-	-	-	-	-
3.2 - Information Technology	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Vote 4 - Community and Social Services</b>	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
4.2 - Community Halls and Facilities	-	-	-	-	-	-	-	-	-
4.3 - Libraries and Archives	-	-	-	-	-	-	-	-	-
4.4 - Cemeteries, Funeral Parlours and Crematoriums	-	-	-	-	-	-	-	-	-
4.5 - Disaster Management	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Vote 5 - Planning and Development</b>	-	-	-	-	-	-	-	-	-
5.1 - Town Planning, Building Regulations and Enforcement, and City Engineer	-	-	-	-	-	-	-	-	-
5.2 - Corporate Wide Strategic Planning (IDPs, LEDs)	-	-	-	-	-	-	-	-	-
5.3 - Economic Development/Planning	-	-	-	-	-	-	-	-	-
5.4 - Project Management Unit	-	-	-	-	-	-	-	-	-
<b>Vote 6 - Internal Audit</b>	-	-	-	-	-	-	-	-	-
6.1 - Governance Function	-	-	-	-	-	-	-	-	-
<b>Vote 7 - Energy Sources</b>	-	-	-	-	-	-	-	-	-
7.1 - Electricity	-	-	-	-	-	-	-	-	-
7.2 - Street Lighting and Signal Systems	-	-	-	-	-	-	-	-	-
<b>Vote 8 - Road Transport</b>	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
8.4 - Roads	-	-	-	-	-	-	-	-	-

		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 9 - Public Safety</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
9.3 - Public Safety		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 10 - Waste Management</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
10.2 - Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
10.3 - Solid Waste Removal		-	-	-	-	-	-	-	-	-
10.4 - Pollution Control		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 11 - Sports &amp; Recreation</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
11.2 - Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 12 - [NAME OF VOTE 12]</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 13 - Waste Water Management</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
13.1 - Sewerage		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 14 - Housing</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
14.1 - Housing		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Vote 15 - [NAME OF VOTE 15]</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	503 636	486 449	467 499	29 249	479 302	467 499	11 803	3%	467 499
								-		

## Appendix K (ii) : Revenue Collection Performance by Source

## LIM473 Makhuduthamaga - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	41,316	50,077	50,077	1,573	44,418	50,077	(5,659)	-11%	50,077
Service charges - refuse revenue	135	156	156	13	150	156	(5)	-3%	156
Rental of facilities and equipment	114	138	138	33	107	138	(32)	-23%	138
Interest earned - external investments	1,653	1,650	1,650	453	3,024	1,650	1,374	83%	1,650
Interest earned - outstanding debtors	40,171	41,873	26,873	771	38,355	41,873	(3,518)	-8%	41,873
Fines, penalties and forfeits	-	155	55	1	287	155	132	85%	155
Transfers and subsidies	344,951	299,807	319,807	181	300,035	299,807	228	0%	299,807
Other revenue	5,774	6,967	6,967	436,334	441,635	6,967	434,669	6239%	6,967
Gains	(1,434)	-	-	505	505	-	505	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>432,680</b>	<b>400,822</b>	<b>405,722</b>	<b>439,863</b>	<b>828,518</b>	<b>400,822</b>	<b>427,696</b>	<b>107%</b>	<b>400,822</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	70,953	85,627	65,627	25,673	81,777	85,627	(3,850)	(0)	85,627
<b>Total Revenue (Including capital transfers and contributions)</b>	<b>503,632</b>	<b>486,449</b>	<b>471,349</b>	<b>465,536</b>	<b>910,295</b>	<b>486,449</b>	<b>423,846</b>	<b>0</b>	<b>486,449</b>

## Appendix L : Conditional Grants Received: Excluding MIG

## Choose name from list - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	319 807	319 807	41 828	290 252	319 807	(29 555)	-9.2%	319 807
Local Government Equitable Share	-		296 332	296 332	26 400	266 777	296 332	(29 555)	-10.0%	296 332
Finance Management	-		1 650	1 650	36	1 650	1 650	-		1 650
Municipal Systems Improvement	-									
EPWP Incentive	-		1 825	1 825	-	1 825	1 825	-		1 825
Integrated National Electrification Programme	-		20 000	20 000	15 391	20 000	20 000	-		20 000
<b>Total operating expenditure of Transfers and Grants:</b>		-	<b>319 807</b>	<b>319 807</b>	<b>41 828</b>	<b>290 252</b>	<b>319 807</b>	<b>(29 555)</b>	<b>-9.2%</b>	<b>319 807</b>

## Appendix M : Capital Expenditure – New &amp; Upgrade/ Renewal Programmes: Including MIG

## DETAILS OF CAPITAL EXPENDITURE FOR THE 2021/2022 FINANCIAL YEAR

## Appendix M(i) : Capital Expenditure – New Assets Programme

	DESCRIPTION	AMOUNT
1	Land	-
2	Buildings	-
3	Landfill Asset	-
4	Motor Vehicles	2 368 021.00
5	Office Equipment	230 900.00
6	IT Equipment	3 407 907.00
7	Road Infrastructure	94 672 068.00
8	Loose Tools	825 855.00
9	Community Assets	-

11	Electricity Infrastructure	19 169 721.00
<b>TOTAL</b>		<b>120 674 472.00</b>

**Appendix M(ii) : Capital Expenditure – Upgrade/Renewal Programme**

None

**Appendix N : Capital Programme by Project current year**

**Appendix O : Capital Programme by project by Ward current year**

**Appendix P : Service Connection Backlogs at Schools and Clinics**

**Appendix Q : Service Backlogs Experienced by the Community where another Sphere of Government is Responsible for Service Provision**

**Appendix R : Declaration of Loans and Grants Made by the Municipality**

None

**Appendix S : Declaration of Returns not Made in due Time under MFMA s71**

None

**Appendix T : National and Provincial Outcome for local government**

None

**VOLUME III : ANNUAL FINANCIAL STATEMENT**

See attachment

**ANNEXURE : AUDITOR GENERAL'S REPORT**

See attachment





**MAKHUDUTHAMAGA**  
LOCAL MUNICIPALITY

Annual Financial Statements  
for the year ended June 30, 2022

These annual financial statements were prepared by:  
Acting Chief Financial Officer  
Makhuduthamaga Local Municipality

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## General Information

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<b>Legal form of entity</b>	Municipality in terms of section 1 of the Local Government: Municipal Structures Act 117 of 1998 read with section 155 (1) of the Constitution of the Republic of South Africa (Act 108 of 1996)
<b>Nature of business and principal activities</b>	The provision of services to communities in a sustainable manner, to promote social and economic development, and to promote a safe and healthy environment.
<b>Executive committee</b>	
Municipal Mayor	ClIr Maitula M
Councillors	ClIr Mahlase N.E (Deputy Head of BTO Portfolio Committee) ClIr Malaka M.S (Head of EDP Portfolio Committee) ClIr Matjomane N.M (Head of Corporate Services Portfolio Committee) ClIr Moretsele LP (Deputy Head of Corporate services Portfolio Committee) ClIr Mohlala M.J (Head of Infrastructure Development Portfolio Committee) ClIr Machaba M.G. (Deputy Head of EDP Portfolio Committee) ClIr Mahlase M.M (Deputy Head of Infrastructure Development Portfolio Committee) ClIr Phala M (Head of BTO Portfolio Committee) ClIr Rankoe T.P (Head of Community Services Portfolio Committee)
<b>Council Speaker</b>	ClIr Mphelane M.J
<b>Council Chief Whip</b>	ClIr Thamaga M
<b>Accounting Officer</b>	Ms Rampedi M.N Mr Moganedi R.M ( Acting Municipal Manager )
<b>Grading of local Authority</b>	Grade 3
<b>Chief Financial Officer</b>	Mr. Moganedi R.M Mr Moganedi R.M
<b>Registered office</b>	Makhuduthamaga Municipality LIM473 No 1 Groblersdal Road Next to Jane Furse Plaza 1085
<b>Business address</b>	No 1 Groblersdal road Next to Jane Furse Plaza Jane Furse 1085 <a href="http://www.makhuduthamaga.gov.za">www.makhuduthamaga.gov.za</a>
<b>Postal address</b>	Private Bag x 434 Jane Furse 1085 Tel:013 265 8600 Fax:013 265 1975
<b>Bankers</b>	ABSA Bank Limited

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## General Information

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**Auditors**

Auditor General South Africa

**Attorneys**

Malope Mahlaela & Associates

Marweshe attorneys

**Preparer**

The annual financial statements were compiled by:

Mr Mothapo K.T

Acting Chief Financial Officer

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

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# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

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### Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
ME's	Municipal Entities
MEC	Member of the Executive Council
mSCOA	Municipal Standard Chart of Accounts
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GAMAP	Generally Recognised Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Standards
MIG	Municipal Infrastructure Grant ( previously CMIP)
CRR	Capital Replacement Reserve
ANC	African National Congress
EFF	Economic Freedom Fighters
EDP	Economic Development Planning
EPWP	Expanded Public Works Programme
SMME	Small Medium and Macro Enterprises
BTO	Budget and Treasury Office
MM	Municipal Manager
CFO	Chief Financial Officer
JSE	Johannesburg Stock Exchange
CPI	Consumer Price Index
UIF	Unemployment Insurance Fund
SDL	Skills Development Levy
SALGBC	South African Local Government Bargaining Council



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Accounting Officer's Report

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The accounting officers are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officers to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The municipality has a Council of 62 Councillors with ANC as the majority party, EFF as the official opposition and four (4) other opposition parties. The mayor of the municipality is Cllr Maitula M and the Council has elected (9) executive committee members to assist the mayor in the execution of her full time responsibilities as the political head of the municipality. All departments of the municipality have portfolio committees that meet on a monthly basis to review the reports on implementation of the approved IDP, Budget and SDBIP and for the year ended 30 June 2022, all portfolio committees were functional and managed to meet monthly. Council has appointed an Audit and performance Committee and Municipal Public Accounts Committee to assist the council on effective, efficient and high level of governance in the municipality and the committees were functional during the year ended 30 June 2022.

I, the Accounting Officer acknowledges that i am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, i set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I have reviewed the municipality's cash flow forecast for the year to June 30, 2023 and, in the light of this review and the current financial position, i am satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality's operations.

I certify that the salaries, allowances and benefits of councillors disclosed in note 27 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution of the Republic of South Africa, read with the Remuneration of Public Office Bearers Act 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with the Act.

I further certify that the salaries, allowances and benefits of the Municipal Manager and Manager directly accountable to the Municipal Manager as disclosed in note 27 of these annual financial statements are within the upper limits as set out in the Upper Limits of total remuneration packages payable to Municipal Manager and Manager directly accountable to the Municipal Manager as issued by the Minister for Cooperative Governance and Traditional Affairs in March 2020.

The Auditor General of South Africa are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements will be examined by the municipality's external auditors's and their report shall be presented to council when finalised and signed.

The annual financial statements set out on page 7 to 68 and appendixes as set out on pages 69 to 89, which have been prepared on the going concern basis, were approved by the accounting officers on 31 August 2022 and were signed on its behalf by:

# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2022

## **Accounting Officer's Report**

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**Accounting Officer**

**Mr Moganedi R.M ( Acting Municipal Manager )**



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Audit and Performance Committee Report

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We are pleased to present our report for the financial year ended 30 June 2022.

### Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference. During the current year seven (07) meetings were held.

Name of member	Number of meetings attended
Manthata H.M Advocate (Chairperson) late as of 19th June 2022	7
Ngoetjana M.S CA(SA) (Member)	7
Maeyane A.K (Member)	7
Mpjane J.N CA(SA), RA (Member)	7

### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act were satisfactory.

### Evaluation of annual financial statements, Risk Management & Performance Management

The audit committee has:

- reviewed and discussed the unaudited annual financial statements to be included in the annual report, with the Auditor-General for external audit and the accounting officers and senior management of the municipality;
- reviewed the Auditor-General of South Africa's management report and management's response thereto; and discussed the progress on implementation of the management's remedial action plans on a quarterly basis for the year ended 30 June 2022
- reviewed the risk management registers and progress report for implementation of the action plans for all four quarters of the financial year ended 30 June 2022 and is satisfied with the functionality of the risk management committee and the risk management committee and the risk management unit of the municipality.;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed the quarterly performance management reports and annual performance reports for the year ended 30 June 2022 and discussed the reports with management on a quarterly basis.

The audit committee concur with and accept the annual financial statements of the municipality presented for external audit and are of the opinion that the unaudited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa after completion of the external audit.

### Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

### Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

# **Makhuduthamaga Local Municipality**

Annual Financial Statements for the year ended June 30, 2022

## **Audit and Performance Committee Report**

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**Chairperson of the Audit Committee**

**Date:** \_\_\_\_\_

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Statement of Financial Position as at June 30, 2022

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	4	986,807	1,114,718
Receivables from exchange transactions	6	1,808,348	1,205,755
VAT receivable	7	20,828,011	16,075,778
Receivables from non-exchange transactions	5	4,507,314	3,179,509
Cash and cash equivalents	3	104,971,637	14,360,310
		<b>133,102,117</b>	<b>35,936,070</b>
<b>Non-Current Assets</b>			
Investment property	9	209,500	209,500
Property, plant and equipment	10	331,924,160	317,725,860
Intangible assets	8	76,552	582,796
		<b>332,210,212</b>	<b>318,518,156</b>
<b>Total Assets</b>		<b>465,312,329</b>	<b>354,454,226</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	11	45,872,564	41,579,305
Unspent conditional grants and receipts	13	-	113,350
Long service awards	12	60,000	63,010
		<b>45,932,564</b>	<b>41,755,665</b>
<b>Non-Current Liabilities</b>			
Post Employment Medical Aid Benefit	12	5,167,000	5,008,000
Long service Awards	12	4,332,000	3,629,990
Provision - Rehabilitation of Landfill Site	14	17,667,406	18,730,537
		<b>27,166,406</b>	<b>27,368,527</b>
<b>Total Liabilities</b>		<b>73,098,970</b>	<b>69,124,192</b>
<b>Net Assets</b>		<b>392,213,359</b>	<b>285,330,034</b>
Accumulated surplus		392,213,359	249,465,040
<b>Total Net Assets</b>		<b>392,213,359</b>	<b>249,465,040</b>

\* See Note 50

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Refuse removal	19	150,252	134,867
Rental of facilities and equipment	15	106,779	114,166
Licences & permits	21	5,376,306	5,480,633
Other income	16	313,085	326,148
Interest received - investment	20	3,024,286	1,652,967
Gain on disposal of assets and liabilities	24	40,350	27,600
Actuarial gains	23	465,129	-
<b>Total revenue from exchange transactions</b>		<b>9,476,187</b>	<b>7,736,381</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	25	44,418,356	41,315,231
Interest on outstanding debtors	17	38,354,991	40,171,417
Reversal of debt impairment loss	52	435,961,804	-
Traffic fines	18	287,450	-
<b>Transfer revenue</b>			
Government grants & subsidies	26	381,812,602	415,904,097
<b>Total revenue from non-exchange transactions</b>		<b>900,835,203</b>	<b>497,390,745</b>
<b>Total revenue</b>	22	<b>910,311,390</b>	<b>505,127,126</b>
<b>Expenditure</b>			
Employee related costs	27	(90,238,056)	(85,736,030)
Remuneration of councillors	28	(24,322,441)	(23,596,632)
Administration	31	(9,414,080)	(7,759,892)
Depreciation and amortisation	29	(32,338,548)	(33,688,066)
Finance costs	30	(2,034,557)	(1,516,943)
Debt Impairment	32	-	(71,808,037)
Bad debts written off	53	(374,764,157)	-
Contracted services	33	(54,904,212)	(53,759,390)
Transfers and Subsidies	34	(1,955,378)	(2,895,169)
Actuarial losses	23	-	(1,466,015)
General Expenses	35	(64,546,316)	(48,051,644)
Auditors remuneration	36	(4,283,087)	(4,429,665)
Repairs and maintenance	37	(72,517,236)	(68,876,161)
Capital expenditure write-off (D-Roads)		(52,942,675)	(65,678,489)
Transfer to Eskom ( Electrification)	39	(19,169,721)	-
<b>Total expenditure</b>		<b>(803,430,464)</b>	<b>(469,262,133)</b>
<b>Surplus for the year</b>		<b>106,880,926</b>	<b>35,864,993</b>

\* See Note 50

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
<b>Opening Accumulated Surplus/(Deficit) Restated (01 July 2020)</b>	<b>249,465,040</b>	<b>249,465,040</b>
Changes in net assets		
Surplus/(Deficit) for the year as previously reported	35,791,105	35,791,105
Restated* Surplus/(Deficit) for the year	-	-
Opening Accumulated Surplus/(Deficit) as previously reported	285,256,145	285,256,145
Adjustments		
Prior period error ( Depreciation)	73,889	73,889
Prior Period error (Traffic fines) 50	2,399	2,399
<b>Restated* Balance at July 1, 2021 as restated*</b>	<b>285,332,433</b>	<b>285,332,433</b>
Changes in net assets		
Surplus (deficit) for the year	106,880,926	106,880,926
Total changes	106,880,926	106,880,926
<b>Balance at June 30, 2022</b>	<b>392,213,359</b>	<b>392,213,359</b>
Note(s)		

\* See Note 50

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Property rates, VAT and traffic fines		145,938,870	9,476,826
Cash received from consumers and other sources of revenue		5,674,653	6,121,386
Grants		381,699,252	415,993,875
Interest income		2,693,462	1,652,967
		<u>536,006,237</u>	<u>433,245,054</u>
<b>Payments</b>			
Employee costs		(89,048,264)	(85,180,045)
Suppliers		(211,439,530)	(229,356,229)
Finance costs		-	-
Capital expenditure written-off (D Roads)		(72,112,396)	(65,678,489)
Councillors' allowances	52	(24,322,441)	(23,596,633)
		<u>(396,922,631)</u>	<u>(403,811,396)</u>
<b>Net cash flows from operating activities</b>	<b>40</b>	<b><u>139,083,606</u></b>	<b><u>29,433,658</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(48,562,076)	(26,392,491)
Proceeds from sale of property, plant and equipment	10	89,797	58,403
<b>Net cash flows from investing activities</b>		<b><u>(48,472,279)</u></b>	<b><u>(26,334,088)</u></b>
<b>Cash flows from financing activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>90,611,327</b>	<b>3,099,570</b>
Cash and cash equivalents at the beginning of the year		14,360,310	11,260,740
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b><u>104,971,637</u></b>	<b><u>14,360,310</u></b>

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						

\* See Note 50

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Statement of Budget and Actual comparison

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds Virement (i.t.o. s31 of the council MFMA)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2022</b>										
<b>Financial Performance</b>										
Property rates	50,076,992	-	50,076,992	-	50,076,992	44,418,356		(5,658,636)	89 %	89 %
Refuse Removal	155,600	-	155,600	-	155,600	150,252		(5,348)	97 %	97 %
Investment revenue	1,650,000	-	1,650,000	-	1,650,000	3,024,286		1,374,286	183 %	183 %
Transfers recognised - operational	299,807,000	20,000,000	319,807,000	-	319,807,000	320,035,314		228,314	100 %	107 %
Other own revenue	49,132,676	(15,100,000)	34,032,676	-	34,032,676	480,905,894		446,873,218	1,413 %	979 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>400,822,268</b>	<b>4,900,000</b>	<b>405,722,268</b>	-	<b>405,722,268</b>	<b>848,534,102</b>		<b>442,811,834</b>	<b>209 %</b>	<b>212 %</b>
Employee costs	(106,419,000)	6,355,857	(100,063,143)	-	(100,063,143)	(90,238,056)		9,825,087	90 %	85 %
Remuneration of councillors	(25,084,000)	1,163,778	(23,920,222)	-	(23,920,222)	(24,322,441)		(402,219)	102 %	97 %
Debt impairment	(41,872,876)	35,000,003	(6,872,873)		(6,872,873)	-		6,872,873	- %	- %
Depreciation and asset impairment	(29,199,000)	(6,287,078)	(35,486,078)		(35,486,078)	(32,338,548)		3,147,530	91 %	111 %
Finance charges	-	-	-	-	-	(2,034,557)		(2,034,557)	DIV/0 %	DIV/0 %
Inventory and bulk purchases	(3,500,000)	1,000,000	(2,500,000)	-	(2,500,000)	(4,270,076)		(1,770,076)	171 %	122 %
Transfers and grants	(5,200,000)	2,000,000	(3,200,000)	-	(3,200,000)	(1,955,378)		1,244,622	61 %	38 %
Other expenditure	(150,001,113)	(67,026,887)	(217,028,000)	-	(217,028,000)	(201,394,855)		15,633,145	93 %	134 %
<b>Total expenditure</b>	<b>(361,275,989)</b>	<b>(27,794,327)</b>	<b>(389,070,316)</b>	-	<b>(389,070,316)</b>	<b>(356,553,911)</b>		<b>32,516,405</b>	<b>92 %</b>	<b>99 %</b>
<b>Surplus/(Deficit)</b>	<b>39,546,279</b>	<b>(22,894,327)</b>	<b>16,651,952</b>	-	<b>16,651,952</b>	<b>491,980,191</b>		<b>475,328,239</b>	<b>2,954 %</b>	<b>1,244 %</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds Virement (i.t.o. s31 of the MFMA)	Final budget (i.t.o. council approved policy)	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	65,627,000	-	65,627,000	-	65,627,000	61,777,288		(3,849,712)	94 %	94 %
Bad debt written off	-	-	-	-	-	(374,764,157)		(374,764,157)	DIV/0 %	DIV/0 %
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>105,173,279</b>	<b>(22,894,327)</b>	<b>82,278,952</b>	-	<b>82,278,952</b>	<b>178,993,322</b>		<b>96,714,370</b>	<b>218 %</b>	<b>170 %</b>
<b>Surplus/(Deficit) for the year</b>	<b>105,173,279</b>	<b>(22,894,327)</b>	<b>82,278,952</b>	-	<b>88,682,638</b>	<b>178,993,322</b>		<b>90,310,684</b>	<b>202 %</b>	<b>170 %</b>
<b>Capital expenditure and funds sources</b>										
Total capital expenditure	(125,173,455)	(16,691,531)	(141,864,986)	-	(141,864,986)	(139,844,375)		2,020,611	99 %	112 %
<b>Sources of capital funds</b>										
Transfers recognised - capital	(125,173,455)	(16,691,531)	(141,864,986)	-	(141,864,986)	(139,844,375)		2,020,611	99 %	112 %
<b>Cash flows</b>										
Net cash from (used) operating	127,610,600	104,218,923	231,829,523	-	231,829,523	139,083,606		(92,745,917)	60 %	109 %
Net cash from (used) investing	(125,173,455)	(16,691,531)	(141,864,986)	-	(141,864,986)	(48,472,279)		93,392,707	34 %	39 %
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,437,145</b>	<b>87,527,392</b>	<b>89,964,537</b>	-	<b>89,964,537</b>	<b>90,611,327</b>		<b>646,790</b>	<b>101 %</b>	<b>3,718 %</b>
Cash and cash equivalents at the beginning of the year	49,112,000	(34,751,690)	14,360,310	-	14,360,310	14,360,310		-	100 %	29 %
<b>Cash and cash equivalents at year end</b>	<b>51,549,145</b>	<b>52,775,702</b>	<b>104,324,847</b>	-	<b>104,324,847</b>	<b>104,971,637</b>		<b>(646,790)</b>	<b>101 %</b>	<b>204 %</b>



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

Figures in Rand	Note(s)	2022	2021
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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

#### 1.4 Cash and cash equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short term highly liquid investments, readily convertible into known amounts of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at amortised cost. Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdraft are carried at amortised cost

For the purpose of the cashflow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks, net of bank overdrafts.

#### Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

#### 1.5 Offsetting

Financial assets and liabilities are offset and the net amount reported on the Statement of Financial Position only when there is a legally enforceable right to set off the recognised amount, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.6 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Property interests held under operating leases are classified and accounted for as investment property in the following circumstances:

When classification is difficult, the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations, including the nature or type of properties classified as held for strategic purposes, are as follows:

The nature or type of properties classified as held for strategic purposes are as follows:

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for X,X and X which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite
Buildings	Straight-line	25 years
Plant and machinery	Straight-line	5-10 years
Furniture and fixtures	Straight-line	7 years
Motor vehicles	Straight-line	8 years
Office equipment	Straight-line	5 years
IT equipment	Straight-line	3-5 years
Prime coat	Straight-line	15 years
Pavement layers	Straight-line	15 years
Double seal	Straight-line	15 years
Pitching, stonework and protection	Straight-line	15 years
Gabions	Straight-line	25 years
Guardrails	Straight-line	25 years
Road signs	Straight-line	15 years
Road markings	Straight-line	12 months
Concrete block paving for roads	Straight-line	15 years
Concrete for structures	Straight-line	15 years
Street lighting	Straight-line	15 years
High mast lights	Straight-line	15 years
capital work in progress	Straight-line	Not depreciated
Alphalt surface	Straight-line	15 years
Concrete kerbing, channeking, chutes and downpipes	Straight-line	40 years
Mass earthworks	Straight-line	80 years
Prefabrigated culverts	Straight-line	15 years
Loose tools	Straight-line	5 years
Bridges	Straight-line	15 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.7 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements.

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

### 1.8 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

### 1.9 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.9 Intangible assets (continued)

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

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Item	Depreciation method	Average useful life
Computer software	Straight-line	3 years

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The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.10 Comparative of actual information to budgeted information

The annual budget figures have been prepared in accordance with the Municipal Budget and Reporting Regulations, 2009. A comparative of actual to budgeted amounts are reported in a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the notes to the Statement giving motivations for over- or under spending on line items where it is found to be material. The budgeted figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is prepared and approved on an accrual basis by nature classification. The approved budget covers the period from 1 July 2021 to 30 June 2022.

In general, a difference of 10% or more is considered material, although the surrounding circumstances are taken into account if it could influence the decisions or assessments of the users of the financial statements in determining whether a difference between the budgeted and actual amount is material.

### 1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial instruments are classified into three categories namely, financial instruments at fair value, financial instruments at amortised cost or financial instruments at cost. The Municipality determines the classification of its financial instruments at initial recognition.

#### ***Initial recognition and measurement.***

A financial instrument is recognised, when the Municipality becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial instrument are added or deducted from the fair value, as appropriate on initial recognition.

#### ***Subsequent measurement – financial assets.***

Financial assets consist of cash and cash equivalents, deposits, receivables and investments.

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

A provision for impairment of receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Changes in the carrying amount of the provision is recognised in the Statement of Financial Performance. When a receivable is considered uncollectible, it is written off against the provision. Any gains or losses arising from the change in fair value of investments measured at fair value are recognised in the Statement of Financial Performance.

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably are subsequently measured at cost less any impairment. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Any calculated impairment is recognised in the Statement of Financial Performance.

#### ***Subsequent measurement – financial liabilities.***

Financial liabilities consist of payables, interest bearing loans and bank overdrafts. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Finance costs are expensed in the Statement of Financial Performance in the period in which they are incurred except where stated otherwise (see accounting policy on borrowing costs).

#### ***Fair value measurement considerations***

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.11 Financial instruments (continued)

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Municipality establishes fair value using a valuation technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on municipality-specific inputs.

### 1.12 Current year comparatives

#### Current year comparatives

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and / or restatement is not required by a Standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. The presentation and classification of items in the current year is consistent with prior periods.

### 1.13 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Municipality as Lessee

Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on the straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

### 1.14 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.14 Inventories (continued)

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

### 1.15 Revenue

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

#### *Recognition and measurement*

The Municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

### 1.16 Cash and cash equivalents

#### ***Unconditional Grants***

Equitable share allocations are recognised in revenue at the start of the financial year.

#### ***Conditional Grants***

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.16 Statutory receivables (continued)

Conditional grants recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Interest earned on grants received and invested is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

### 1.17 Related parties and related party transactions

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, Executive Mayor, Mayoral Committee members, Municipal Manager, executive directors and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.18 Events after reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

### 1.19 Accumulated Surplus

When the presentation or classification of items in the annual financial statements are amended, prior period comparative amounts are restated, the nature and reasons for the reclassification is disclosed, where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Where there has been a change in the accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparative are restated accordingly.

### 1.20 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.20 Employee benefits (continued)

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

#### Other post retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

### 1.21 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.21 Accumulated Surplus (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If the municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.21 Accumulated Surplus (continued)

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

### 1.22 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in the outflow of cash.

Commitments are not recognized in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- a) approved and contracted commitments.
- b) Where the expenditure has been approved and the contract has been awarded at the reporting date, and
- c) Where disclosure is required by a specific standard of GRAP.

### 1.23 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.23 Revenue from exchange transactions (continued)

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. .

#### Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

### 1.24 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.24 Revenue from non-exchange transactions (continued)

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

A government grant is recognised only when there is reasonable assurance that the municipality will comply with any conditions if any attached to the grant and the grant will be received.

The grant is recognised as income over the period necessary to match it with related costs, for which they are intended to compensate on a systematic basis.

A grant received from conditional grant is recorded as a liability as unspent grant and grant recognised when expenditure is incurred.

#### Fines

Fines constitute both spot fines and camera fines. Fines are recognised when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. It is measured at the best estimate, based on past experience, of the amount of revenue the Municipality is entitled to collect.

Subsequent to initial recognition and measurement, the Municipality assess the collectability of the revenue and recognises a separate impairment loss where appropriate.

### 1.25 Value Added Tax (VAT)

#### Initial recognition and measurement.

Value added Tax is accounted for on an invoice basis and a liability is recognised in the statement of Financial Position when VAT output is more than the VAT input. An asset is recognised in the statement of Financial Position when VAT input exceeds the VAT output. VAT receivable and VAT payable is initially measured at fair value.

#### Subsequent measurement .

Receivables are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### 1.26 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

### 1.27 Borrowing costs

Borrowing costs are interest and other expenses incurred by the municipality in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

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# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Summary of Significant Accounting Policies

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### 1.28 Unauthorised expenditure

Unauthorised expenditure means:

- any expenditure incurred by the municipality otherwise than in accordance with section 15 or 11(3) of the Municipal Finance Management Act (Act No. 56 of 2003), and includes:
- overspending of the total amount appropriated in the municipality's approved budget.
- Expenditure from a vote unrelated to the department or functional area covered by the vote.
- expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose.
- spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or
- a grant by the municipality otherwise than in accordance with the Municipal Finance Management Act.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

A note with details of the incidences that resulted in the unauthorised expenditure is disclosed in the notes to the financial statements of the municipality.

### 1.29 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.30 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the municipality's supply chain management policy

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 1, 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	April 1, 2024	Unlikely there will be a material impact
• GRAP 25 (as revised): Employee Benefits	April 1, 2024	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	April 1, 2024	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact
• iGRAP 21: The Effect of Past Decisions on Materiality	April 1, 2023	Unlikely there will be a material impact
• GRAP 2020: Improvements to the standards of GRAP 2020	April 1, 2023	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements	April 1, 2023	Unlikely there will be a material impact

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	52	775
Bank balances	104,971,585	14,359,535
	<b>104,971,637</b>	<b>14,360,310</b>

Balance of cash and cash equivalent did not include any amount pledged as security.

#### The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances	
	June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
ABSA BANK-4050384145 ( Primary Cheque Account)	103,782,111	13,298,999	-	103,834,153	13,278,846
ABSA BANK-4076690079 (Salaries)	36,903	12,241	-	36,903	12,241
ABSA BANK-2078073033 (Term Deposit Investment)	895,949	862,650	-	895,949	862,650
Municipal Covid 19 Solidarity fund	204,632	205,798	-	204,632	205,798
<b>Total</b>	<b>104,919,595</b>	<b>14,379,688</b>	<b>-</b>	<b>104,971,637</b>	<b>14,359,535</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>4. Inventories</b>		
Consumable stores	986,807	1,114,718
<b>4.1 Reconciliation of Inventory</b>		
Opening balance	1,114,718	1,127,543
Add: Receipts	4,142,165	2,574,469
Less: Issues	(4,270,076)	(2,587,294)
	<b>986,807</b>	<b>1,114,718</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>5. Receivables from non-exchange transactions</b>		
<b>Gross balances</b>		
Rates	110,434,728	545,346,329
Traffic fines	1,441,497	1,166,447
	<b>111,876,225</b>	<b>546,512,776</b>
<b>Less: Allowance for impairment</b>		
Rates	(105,927,598)	(542,164,268)
Traffic fines	(1,441,313)	(1,166,447)
	<b>(107,368,911)</b>	<b>(543,330,715)</b>
<b>Net balance</b>		
Rates	4,507,129	3,179,509
Traffic fines	185	-
	<b>4,507,314</b>	<b>3,179,509</b>
<b>Summary of debtors by customer classification</b>		
<b>Traffic Fines</b>		
Current (0 -30 days)	55,650	-
31 - 60 days	10,550	40,800
61 - 90 days	40,800	63,250
91 - 120 days	23,800	9,350
121 - 365 days	1,310,698	1,096,397
	1,441,498	1,209,797
Less: Allowance for impairment	(1,441,313)	(1,168,997)
	<b>185</b>	<b>40,800</b>
<b>Property rates - commercial</b>		
Current (0 -30 days)	1,374,331	812,235
31 - 60 days	1,225,177	818,143
61 - 90 days	775,624	805,958
91 - 120 days	838,451	51,595,363
> 365 days	57,877,890	-
	62,091,473	54,031,699
Less: Allowance for impairment	(61,250,490)	(53,760,078)
	<b>840,983</b>	<b>271,621</b>
<b>National and provincial government</b>		
Current (0 -30 days)	2,675,161	5,589,981
31 - 60 days	2,929,806	5,759,533
61 - 90 days	4,348,019	5,621,692
91 - 120 days	3,224,374	474,343,422
> 365 days	35,165,895	-
	48,343,255	491,314,628
Less: Allowance for impairment	(44,677,109)	(488,447,538)
	<b>3,666,146</b>	<b>2,867,090</b>
<b>Total</b>		

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>5. Receivables from non-exchange transactions (continued)</b>		
Current (0 -30 days)	4,105,142	6,402,216
31 - 60 days	4,165,533	6,577,676
61 - 90 days	5,164,443	6,596,649
91 - 120 days	4,086,625	7,480,650
> 365 days	94,354,482	519,458,135
	<b>111,876,225</b>	<b>546,515,326</b>
Less: Allowance for impairment	<b>(107,368,911)</b>	<b>(543,335,815)</b>
	<b>4,507,314</b>	<b>3,179,511</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(543,330,715)	(471,522,678)
Contributions to allowance - current year	-	(71,808,037)
Reversal of provision for debt impairment allowance	435,961,878	-
	<b>(107,368,837)</b>	<b>(543,330,715)</b>
<b>6. Receivables from exchange transactions</b>		
Insurance debtor	49,778	20,604
Accrued Income (Interest on Investment & Primedia)	431,311	100,487
SALGA Levy	1,305,495	1,062,900
Other debtors - Employee	21,764	21,764
	<b>1,808,348</b>	<b>1,205,755</b>
<b>7. VAT receivable</b>		
VAT	20,828,011	16,075,778
	<b>20,828,011</b>	<b>16,075,778</b>
<b>Reconciliation</b>		
Balance at the beginning of the year	16,075,778	16,062,400
Add: Net refunds as per VAT receivable	39,806,005	34,317,048
Add: current year VAT suspense - retention amount	3,965,961	4,028,602
Less: Prior year suspense- retention amount	(4,028,602)	(4,779,199)
Less: VAT Payments by SARS- Current year	(26,852,382)	(25,811,478)
Less: VAT payment by SARS - Previous year	(8,505,569)	(7,741,595)
Undefined difference	366,820	-
	<b>20,828,011</b>	<b>16,075,778</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 8. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	8,215,070	(8,138,518)	76,552	8,215,070	(7,632,274)	582,796
<b>Total</b>	<b>8,215,070</b>	<b>(8,138,518)</b>	<b>76,552</b>	<b>8,215,070</b>	<b>(7,632,274)</b>	<b>582,796</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software	582,796	(506,244)	76,552
	<b>582,796</b>	<b>(506,244)</b>	<b>76,552</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	1,706,589	(1,123,793)	582,796
	<b>1,706,589</b>	<b>(1,123,793)</b>	<b>582,796</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 9. Investment property

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	209,500	-	209,500	209,500	-	209,500

#### Reconciliation of investment property - 2022

Investment property	Opening balance	Total
	209,500	209,500
	<b>209,500</b>	<b>209,500</b>

#### Reconciliation of investment property - 2021

Investment property	Opening balance	Total
	209,500	209,500
	<b>209,500</b>	<b>209,500</b>

#### Pledged as security

No investment was pledged as a security for liabilities

Investment property was valued by Modhope valours, an independent professional valuer with registration number 1988/001677/07. The municipal valuer has experience in property within the jurisdiction of Makhuduthamaga Local Municipality. The valuation was based on an open market for existing use.

A register containing the information required by section 63 of the municipal Finance Management Act is available for inspection at the registered office of the Municipality. No revenue was earned from the investment property as the property is vacant land held for the long term capital appreciation.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	265,000	-	265,000	265,000	-	265,000
Buildings	58,339,619	(17,157,036)	41,182,583	52,286,492	(15,026,155)	37,260,337
Land (Landfill assets)	13,990,007	(9,222,178)	4,767,829	16,471,695	(6,838,263)	9,633,432
Motor vehicles	38,032,702	(28,826,978)	9,205,724	35,664,681	(25,138,133)	10,526,548
Office equipment	9,577,611	(7,111,285)	2,466,326	9,396,611	(6,364,782)	3,031,829
IT equipment	27,051,146	(20,727,000)	6,324,146	23,741,796	(17,345,936)	6,395,860
Infrastructure	371,468,635	(145,092,205)	226,376,430	351,837,287	(126,673,800)	225,163,487
Loose tools	4,437,816	(3,322,241)	1,115,575	3,611,961	(3,025,396)	586,565
Community assets	14,402,779	(3,415,208)	10,987,571	14,402,779	(2,728,038)	11,674,741
Capital work in progress	29,232,976	-	29,232,976	13,188,061	-	13,188,061
<b>Total</b>	<b>566,798,291</b>	<b>(234,874,131)</b>	<b>331,924,160</b>	<b>520,866,363</b>	<b>(203,140,503)</b>	<b>317,725,860</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Disposal Accumulated depreciation	Other changes, movements	Depreciation	Total
Land	265,000	-	-	-	-	-	-	265,000
Buildings	37,260,337	-	-	6,053,127	-	-	(2,130,881)	41,182,583
Land (Landfill Asset)	9,633,432	-	-	-	-	(2,481,688)	(2,383,915)	4,767,829
Motor vehicles	10,526,548	2,368,021	-	-	-	-	(3,688,845)	9,205,724
Office equipment	3,031,829	230,900	(49,900)	-	49,900	-	(796,403)	2,466,326
IT equipment	6,395,860	3,407,907	(98,557)	-	49,110	-	(3,430,174)	6,324,146
Infrastructure	225,163,487	-	-	19,631,351	-	-	(18,418,408)	226,376,430
Loose tools	586,565	825,855	-	-	-	-	(296,845)	1,115,575
Community Assets	11,674,741	-	-	-	-	-	(687,170)	10,987,571
Capital work in progress	13,188,061	41,729,393	-	(25,684,478)	-	-	-	29,232,976
Capital Work in progress - Electricity infrastructure	-	19,169,721	-	(19,169,721)	-	-	-	-
	<b>317,725,860</b>	<b>67,731,797</b>	<b>(148,457)</b>	<b>(19,169,721)</b>	<b>99,010</b>	<b>(2,481,688)</b>	<b>(31,832,641)</b>	<b>331,924,160</b>



## Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 10. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Revaluations	Other changes, movements	Depreciation	Prior period adjustment	Total
Land	265,000	-	-	-	-	-	-	-	265,000
Buildings	36,405,426	-	-	2,900,000	-	-	(2,045,378)	289	37,260,337
Land (Landfill Asset)	11,294,709	-	-	-	2,456,646	-	(4,117,923)	-	9,633,432
Furniture and fixtures	642,919	210,450	-	-	-	(853,369)	-	-	-
Motor vehicles	14,611,726	-	-	-	-	-	(4,085,178)	-	10,526,548
Office equipment	1,184,426	1,760,430	-	-	-	853,369	(766,396)	-	3,031,829
IT equipment	6,982,853	2,650,202	(90,850)	-	-	60,047	(3,216,894)	10,502	6,395,860
Infrastructure	215,499,688	-	-	27,045,177	-	-	(17,444,475)	63,097	225,163,487
Loose tools	857,207	46,000	-	-	-	-	(316,642)	-	586,565
Community Assets	12,320,009	-	-	-	-	-	(645,268)	-	11,674,741
Capital work in progress	21,407,828	21,725,410	-	(29,945,177)	-	-	-	-	13,188,061
	<b>321,471,791</b>	<b>26,392,492</b>	<b>(90,850)</b>	<b>-</b>	<b>2,456,646</b>	<b>60,047</b>	<b>(32,638,154)</b>	<b>73,888</b>	<b>317,725,860</b>

#### Deemed cost

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>11. Payables from exchange transactions</b>		
Trade payables	5,539,911	5,206,407
Income received in advance	3,932,090	923,859
Creditor: Ward committee	13,201	13,201
Accrued: SDL	23,514	-
Accrued: Party levies	17,351	-
Leave provision	12,482,505	12,407,985
Accrued: PAYE	200,733	-
Accrued: Pension Fund	91,031	-
Accrued: Salary	647,399	-
Bonus provision	2,914,752	2,779,508
Unknown Deposits	274,463	32,481
Retentions	19,735,614	20,215,864
	<b>45,872,564</b>	<b>41,579,305</b>
<b>12. Defined benefit obligations</b>		
<b>Post employment medical aid benefits liability</b>		
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening balance	5,008,000	3,230,000
Current year service cost	467,000	482,000
Interest charges	252,000	167,000
Acturial (Gain) loss	(560,000)	1,129,000
	<b>5,167,000</b>	<b>5,008,000</b>
<b>Net expense recognised in the statement of financial performance</b>		
Current year service cost	467,000	482,000
Interest cost	252,000	167,000
Acturial gain (loss)	(560,000)	1,129,000
	<b>159,000</b>	<b>1,778,000</b>
<b>The amounts recognised in the statement of financial position are as follows:</b>		
<b>Carrying value</b>		
Present value of the defined benefit obligation-wholly unfunded	(5,167,000)	(5,008,000)
	<b>(5,167,000)</b>	<b>(5,008,000)</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand 2022 2021

### 12. Defined benefit obligations (continued)

#### Key assumptions used

Assumptions used at the reporting date:

	2022	2021
Expected retirement age	63	63

The nominal and real zero curves were used as at 30 June 2022 supplied by the JSE to determine the disclosed rates and CPI assumptions at each relevant prime period.

#### Long Service Awards

##### Long-service Awards Liability

Long-service Awards- current liability	60,000	63,010
Long-service Awards- Non-current liability	4,332,000	3,629,990
	<b>4,392,000</b>	<b>3,693,000</b>

##### Movements in the long service awards liability

Opening balance	3,693,000	2,984,000
Current year service cost	395,000	347,000
Interest cost	364,000	298,000
Benefits paid	(154,871)	(284,000)
Actuarial (gain)/loss	94,871	348,000
	<b>4,392,000</b>	<b>3,693,000</b>

##### Expense and income recognition in surplus for the year

Current service cost	395,000	347,000
Interest cost	364,000	298,000
Actuarial gain/(loss)	94,871	348,000
	<b>853,871</b>	<b>993,000</b>

#### Other assumptions

A percentage point change in the normal salary inflation assumption would have the following effects:

	+1% Normal salary inflation	-1% Normal salary inflation
Effect on the current service cost	422,000	364,000
Effect on the interest cost	499,000	337,000
Effect on the defined benefit obligation	4,094,000	3,427,000

Amounts for the current and previous four years are as follows:

Long service awards	4,392,000	3,693,000	2,984,000	2,844,000	-
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# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>13. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
LG SETA Discretionary Grant	-	113,350
	-	<b>113,350</b>
<b>Movement during the year</b>		
Balance at the beginning of the year	113,350	23,572
Additions during the year	114,963	241,875
Income recognition during the year	(228,313)	(152,097)
	-	<b>113,350</b>
<p>The municipality received a grant from LG SETA for their implementation of the learnership programme. Learners were deployed to the municipality under the learnership programme and the grant was utilized to pay for their monthly stipend.</p>		
<b>14. Provision - Rehabilitation of Landfill Site</b>		
<p>The Cost of rehabilitating the Landfill Site was determined to be R17 667 406.00 as at the 30th of June 2022 and was recognised as property, plant &amp; equipment in the financial statement of the financial position of the municipality and a non-current liability of R17 667 406.00 was also recognised in the statement of the financial position for the year ended 30 June 2022</p>		
<b>Reconciliation - Landfill Site Provision</b>		
Opening balance	18,730,537	15,221,948
Interest charge	1,418,557	1,051,943
Change in Landfill closure provision	(2,481,688)	2,456,646
	<b>17,667,406</b>	<b>18,730,537</b>
<b>15. Rental of facilities and equipment</b>		
<b>Advertising Billboards</b>		
Site Rentals	83,910	114,166
Venue hire	22,869	-
	<b>106,779</b>	<b>114,166</b>
<p>The amount of site rentals is for the advertising billboards from Primedia around Makhuduthamaga municipal area</p>		
<b>16. Other income</b>		
LG SETA	-	134,895
Tender Documents	74,992	158,262
Sale of goods and rendering of services	238,093	-
Other income	-	32,991
	<b>313,085</b>	<b>326,148</b>

In the total amount for sale of goods and rendering of services is the amount for approval of building plans, clearance certificates, LG SETA and approvals of Permission To Occupy.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>17. Interest on outstanding debtors</b>		
Interest charged on trade and other receivables-Property rates	38,354,991	40,171,417
	<b>38,354,991</b>	<b>40,171,417</b>
<b>18. Traffic Fines</b>		
Traffic Fines	287,450	-
	<b>287,450</b>	-
<b>19. Refuse removal</b>		
Refuse removal	150,252	134,867
	<b>150,252</b>	<b>134,867</b>
<b>20. Interest received (Investment revenue)</b>		
<b>Interest revenue</b>		
Bank and investments	3,024,286	1,652,967
	<b>3,024,286</b>	<b>1,652,967</b>
<b>21. Licenses and Permits</b>		
Agency fee for Sekhukhune and Nebo DLTCs	5,376,306	5,480,633
	<b>5,376,306</b>	<b>5,480,633</b>
<b>22. Revenue</b>		
Refuse Removal	150,252	134,867
Rental of facilities and equipment	106,779	114,166
Licenses and Permits	5,376,306	5,480,633
Actuarial Gain	465,129	-
Other Income	313,085	326,148
Interest received	3,024,286	1,652,967
Property rates	44,418,356	41,315,231
Interest on outstanding debtors	38,354,991	40,171,417
Traffic Fines	287,450	-
Government grants & subsidies	381,812,602	415,904,097
Gain on disposal of assets	40,350	27,600
Reversal of debt impairment allowance	435,961,804	-
	<b>910,311,390</b>	<b>505,127,126</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>22. Service concession arrangements (continued)</b>		
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Refuse Removal	150,252	134,867
Rental of facilities and equipment	106,779	114,166
Licenses and permits	5,376,306	5,480,633
Gain on disposal of assets	40,350	27,600
Other income	313,085	326,148
Actuarial gains/losses	465,129	-
Interest received - investment	3,024,286	1,652,967
	<b>9,476,187</b>	<b>7,736,381</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	44,418,356	41,315,231
Property rates - Interest on outstanding debtors	38,354,991	40,171,417
Traffic fines	287,450	-
<b>Transfer revenue</b>		
Government grants & subsidies	381,812,602	415,904,097
Reversal of debt impairment allowance	435,961,804	-
	<b>900,835,203</b>	<b>497,390,745</b>
<b>23. Actuarial gain/(loss)</b>		
Long service awards - Actuarial (Gain)/loss	94,871	337,015
Post employment medical aid - Actuarial (Gain)/loss	(560,000)	1,129,000
	<b>(465,129)</b>	<b>1,466,015</b>
<b>24. Gain/(Loss) on disposal of assets</b>		
Gains on the disposal of the stolen desktops and laptops. The desktops and laptops were derecognised from the municipality's asset register and insurance claim for these assets was approved	40,350	27,600
	<b>40,350</b>	<b>27,600</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>25. Property rates</b>		
<b>Rates received</b>		
Commercial	11,243,950	10,641,631
State	30,383,837	28,352,880
Agricultural	2,790,569	2,320,720
	<b>44,418,356</b>	<b>41,315,231</b>
<b>Valuations</b>		
Residential	145,166,000	22,640,000
Commercial	1,250,324,000	748,176,000
State	1,881,798,000	1,669,421,000
Municipal	71,332,000	292,360,000
Social	29,600,000	29,023,000
	<b>3,378,220,000</b>	<b>2,761,620,000</b>

Valuations on land and buildings are performed every 5 years. The first general valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The valuation roll used in the current year was implemented from 01 July 2021 and it ends on the 30th June 2026.

The municipality has compiled a new valuation roll to be implemented from the 1st July 2021.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>26. Government grants &amp; subsidies</b>		
<b>Operating grants</b>		
Equitable share	296,332,000	341,931,000
Municipal Infrastructure Grant (MIG)	61,777,288	70,953,000
Finance Management Grant (FMG)	1,650,000	1,700,000
Integrated National Electrification (DOE Grant)	20,000,000	-
EPWP Grant	1,825,000	1,168,000
LG-SETA - Discretionary Grant	228,314	152,097
	<b>381,812,602</b>	<b>415,904,097</b>
<b>LG-SETA - Discretionary Grant</b>		
Balance unspent at beginning of year	113,350	23,572
Current-year receipts	114,963	241,875
Conditions met - transferred to revenue	(228,313)	(152,097)
	<b>-</b>	<b>113,350</b>
<p>The municipality received a grant from LG SETA to be used for training of learners identified within Makhuduthamaga Municipality jurisdictions.</p>		
<p>All conditions were met and the grant was recognized as revenue.</p>		
<b>Finance Management Grant</b>		
Current-year receipts	1,650,000	1,700,000
Conditions met - transferred to revenue	(1,650,000)	(1,700,000)
	<b>-</b>	<b>-</b>
<p>All conditions as per the DoRA were met and the grant was transferred to revenue.</p>		
<b>Municipal Infrastructure Grant</b>		
Current-year receipts	61,777,288	70,953,000
Conditions met - transferred to revenue	(61,777,288)	(70,953,000)
	<b>-</b>	<b>-</b>
<p>All conditions as per DoRA were met and the grant was transferred to Revenue.</p>		
<p>The Municipal Infrastructure Grant was used to fund the construction of access roads approved by Cogta and the municipal council under the Infrastructure Development Vote.</p>		
<b>EPWP Grant</b>		
Current-year receipts	1,825,000	1,168,000
Conditions met - transferred to revenue	(1,825,000)	(1,168,000)
	<b>-</b>	<b>-</b>



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>27. Employee related costs</b>		
Basic	50,135,343	46,602,507
Bonus	4,238,546	3,706,927
Medical aid - company contributions	5,146,365	5,098,739
UIF	357,489	300,274
SDL	732,440	563,943
Leave pay provision charge	1,325,300	2,594,885
Pension contributions	9,774,544	9,291,131
Overtime payments	1,237,979	672,827
Long-service awards-Current service cost(Post employment benefits)	862,000	829,000
Car allowance	11,378,300	11,228,574
Housing benefits and allowances	2,880,904	2,834,159
Bargaining council	20,909	20,692
Clothing allowance	38,575	53,363
Cellphone allowance	2,109,362	1,939,009
	<b>90,238,056</b>	<b>85,736,030</b>
<b>Remuneration of municipal manager ( Ms Rampedi M.N )</b>		
Basic salary	640,552	640,552
Car Allowance	261,687	261,687
Medical aid Contribution	85,447	85,447
UIF contribution	2,148	1,813
SALGBE	124	119
SDL	12,623	12,482
Retirement Annuity Contribution	78,003	78,003
Remote Allowance	41,540	41,540
Travel claims	14,121	8,568
Leave payout	204,381	-
Performance bonus	53,379	-
	<b>1,394,005</b>	<b>1,130,211</b>
<b>Remuneration of Chief Financial Officer ( Mr Moganedi R.M )</b>		
Basic salary	498,335	536,668
Travel Allowance	239,529	178,498
Cellphone Allowance	39,083	31,302
Housing Allowance	5,711	68,538
Travel claim	3,406	-
Contribution Medical Aid	46,760	77,544
Contribution UIF	1,948	1,813
SDL	9,882	9,454
SALGBBE	113	119
Remote allowance	22,489	35,778
Long service award	20,638	-
Leave payout	171,357	-
Performance Bonus	44,722	-
	<b>1,103,973</b>	<b>939,714</b>
<b>Acting Chief Financial Officer ( 2021/22 Mr Makgalemane T.M)</b>		
Acting allowance	12,796	-
<b>(Acting duration from 1st August 2021 to 31st August 2021)</b>	<b>12,796</b>	<b>-</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>27. Employee related costs (continued)</b>		
<b>Senior manager: Corporate services ( Ms Mahlare M.A )</b>		
Basic salary	536,668	536,668
Travel Allowance	231,286	231,286
Medical Aid contribution	124,596	124,596
Contribution to UIF	2,125	1,813
SDL	124	119
SALGBE	8,251	9,368
Travel claim	18,084	6,350
Remote Allowance	35,778	35,778
Long service award	41,276	-
Performance Bonus	53,667	-
	<b>1,051,855</b>	<b>945,978</b>
<b>Acting Senior manager: Corporate services (Mr Marodi M.L)</b>		
Acting allowance	15,103	-
	<b>15,103</b>	-
<b>Senior manager: Community services ( Ms Marishane M.E )</b>		
Basic salary	536,668	536,668
Travel Allowance	196,956	196,956
Cellphone allowance	26,343	26,343
Housing allowance	71,560	71,560
Contribution to Pension	61,022	61,022
Contribution to UIF	2,125	1,813
SALGBE	124	119
SDL	8,094	9,383
Remote allowance	35,778	35,778
Long service award	20,638	-
travel claim	6,857	-
Performance Bonus	53,667	-
	<b>1,019,832</b>	<b>939,642</b>
<b>Acting Senior manager: community services ( Mrs Makola B.C )</b>		
Acting allowance	31,118	-
	<b>31,118</b>	-
<b>Senior manager: Infrastructure Development ( Mr Segale M.A )</b>		
Basic Salary	536,668	536,668
Travel Allowance	194,493	194,493
Long service award	20,638	-
Contribution to Medical Aid	133,939	133,939
Contribution to UIF	2,125	1,813
SALGBE	124	119
SDL	9,101	10,585
Remote allowance	35,778	35,778
Cellphone allowance	27,450	27,450
Performance Bonus	44,722	-
	<b>1,005,038</b>	<b>940,845</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>27. Employee related costs (continued)</b>		
<b>Senior manager Economic Development and planning ( Mr Thabela A.P )</b>		
Basic salary	536,668	536,668
Travel Allowance	134,167	134,167
Cellphone allowance	19,119	19,119
Contribution to Pension	118,067	118,067
Contribution to Medical Aid	84,529	84,529
Contribution to UIF	2,125	1,813
SALGBE	124	119
SDL	9,015	10,832
Travel claim	-	3,376
Remote allowance	35,778	35,778
Performance Bonus	44,722	-
	<b>984,314</b>	<b>944,468</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>28. Remuneration of councillors</b>		
Mayor	936,109	910,772
Council speakers	759,878	737,602
Executive Committee Members	4,699,833	4,525,300
Other councillors basic salary	9,883,297	9,620,209
Councillors pension contribution	1,735,152	1,697,683
Travel allowance	3,873,340	3,772,632
Travel claims	27,123	14,015
Cellphone allowance	2,091,650	2,080,800
Skills development levy	134,062	54,019
Data cards ( 62 councillors )	181,997	183,600
	<b>24,322,441</b>	<b>23,596,632</b>
<b>Remuneration and allowances of selected members of the council</b>		
<b>Mayor - Cllr Maitula B.M</b>		
Basic salary	565,262	548,798
Cellphone allowance	40,800	40,800
Contributions to pension fund	320,076	312,061
SDL and Data cards	9,968	7,421
	<b>936,106</b>	<b>909,080</b>
<b>Council speaker - Cllr Tala M.A</b>		
Basic salary	161,612	439,039
Cellphone allowance	14,507	40,800
Contributions to pension fund	88,879	249,649
SDL and Data cards	2,703	6,731
	<b>267,701</b>	<b>736,219</b>
<b>Council speaker - Cllr Mphelane MJ</b>		
Basic salary	291,424	-
Cellphone allowance	26,293	-
Contributions to pension fund	165,712	-
SDL and Data cards	6,748	-
	<b>490,177</b>	<b>-</b>
<b>Members of the Executive Committee</b>		
Basic salary	2,693,759	2,612,536
Travel allowance	1,055,260	1,024,524
Cellphone allowance	370,827	367,200
Contributions to pension fund,	461,775	461,036
Travel claims,SDL and Data cards	118,212	50,576
	<b>4,699,833</b>	<b>4,515,872</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>28. Remuneration of councillors (continued)</b>		
<b>In-kind benefits</b>		
The Mayor, speaker of council, chief whip of council, Head of corporate service portfolio committee, Head of Budget and Treasury Office Portfolio, Head of Infrastructure Development Portfolio and MPAC chairperson are full-time. Each is provided with an office and secretarial support at the cost of the council.		
The Mayor and the Speaker of council each have the use of separate Council owned vehicles for official duties.		
The Mayor has one full-time Chauffeur. The Speaker of council have one full-time Chauffeur.		
The Mayor have personal security at the cost of council.		
The speaker have personal security at the cost of council.		
<b>29. Depreciation and amortisation</b>		
Property, plant and equipment	31,832,304	32,564,272
Intangible assets	506,244	1,123,794
	<b>32,338,548</b>	<b>33,688,066</b>
<b>30. Finance costs</b>		
Interest cost: Employee benefit obligations	616,000	465,000
Interest cost: Landfill site provision	1,418,557	1,051,943
	<b>2,034,557</b>	<b>1,516,943</b>
<b>31. Administrative expenditure</b>		
Ward committee incentives	2,124,000	3,618,000
Administration and management fees -	7,290,080	4,141,892
	<b>9,414,080</b>	<b>7,759,892</b>
<b>32. Debt impairment</b>		
Current year doubtful debts allowance	-	543,330,715
Less: Previous doubtful debts	-	(471,522,678)
	-	<b>71,808,037</b>
<b>33. Contracted services</b>		
Operating Leases and Cash Collection Services	3,103,715	3,356,259
Development of Valuation roll	-	558,012
Cleaning and Security Services	51,800,497	49,845,119
	<b>54,904,212</b>	<b>53,759,390</b>
<b>34. Transfer and subsidies</b>		
Indigent grants (Free Basic Electricity)	1,955,378	2,895,169
	<b>1,955,378</b>	<b>2,895,169</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>34. Transfer and subsidies (continued)</b>		
The municipality subsidises the indigent households that are on the eskom FBE beneficiary list with the allocation of the free basic electricity at 50kwh per household on a monthly basis.		
<b>35. General expenses</b>		
Advertising	854,768	746,145
Bank charges	204,289	257,799
Consulting and professional fees	4,486,051	2,550,254
Consumables	4,270,096	2,334,128
Entertainment	24,164	57,950
Insurance	1,337,155	685,249
Operational expenses	1,000,000	1,484,700
Marketing	767,236	721,066
Promotions and sponsorships	4,789,107	875,878
Fleet Management & System	141,088	2,766
Fuel and oil	4,894,084	4,362,625
Promotions	2,182,185	-
Staff welfare	72,900	-
Telephone and fax	1,439,421	1,078,976
Training	6,070,684	1,669,303
Travel and Accomodation	1,574,764	1,237,163
Spatial planning-Dermacation of sites	314,783	1,284,778
Water and Electricity	2,670,263	2,093,396
SMME support	222,640	-
Sitting allowance Ex-officio	68,000	360,000
Publications	7,659,490	8,041,500
Audit committee support	420,463	533,368
Bursary fund	3,170,585	2,005,728
Legal costs and Development of by-laws	2,913,439	2,463,087
Customer care	58,399	-
Financial system support	6,018,935	3,726,010
Vehicle tracking	96,615	96,615
Disaster Relief Fund	2,030,522	2,521,082
EPWP	4,794,190	6,862,078
	<b>64,546,316</b>	<b>48,051,644</b>
<b>36. Auditors' remuneration</b>		
Current Year Audit fees	4,283,087	4,429,665
	<b>4,283,087</b>	<b>4,429,665</b>
<b>37. Repairs and maintenance</b>		
Repairs and maintenance: Other assets	24,601,721	17,849,289
Repairs and maintenance: Infrastructure	47,915,515	51,026,872
	<b>72,517,236</b>	<b>68,876,161</b>
<b>38. Capital expenditure write-off (D-Roads)</b>		
Capital expenditure write-off (D-Roads)	52,942,675	65,678,489
	<b>52,942,675</b>	<b>65,678,489</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>38. Capital expenditure write-off (D-Roads) (continued)</b>		
<b>39. Transfer to Eskom ( Electrification)</b>		
Transfer to Eskom ( Electrification)	19,169,721	-
	<b>19,169,721</b>	<b>-</b>

Department of Energy transferred an amount of R 20 000 000.00 to the municipality to construct electrification projects at various villages around Makhuduthamaga local municipality for the year 2021/2022 and the municipality spent R 19 169 721.00 on the capital electrification projects and transferred the assests to Eskom at year end as per the conditions of the ENEP grant.

### 40. Cash generated from operations

Surplus	106,880,926	35,864,993
<b>Adjustments for:</b>		
Depreciation and amortisation	32,338,548	33,688,066
(Gain)/Loss on disposal of assets	(40,350)	(27,600)
Debt impairment	-	71,808,037
Current service cost - Post employment benefits & Long service awards	862,000	829,000
Interest costs - Post employment benefits & Long service awards	2,034,557	1,516,942
Acturial ( Gain/Loss-Post employment medical aid benefits & Long service awards	(465,129)	1,477,000
Other non-cash items	184	-
Long service awards paid	(154,871)	(284,000)
Reversal of debt impairment allowance	(435,961,804)	-
<b>Changes in working capital:</b>		
Inventories	127,911	12,825
Receivables from exchange transactions	(602,593)	65,574
Receivables from non exchange transactions	434,636,551	(72,186,759)
Payables from exchange transactions	4,293,259	(43,406,820)
VAT	(4,752,233)	(13,378)
Unspent conditional grants and receipts	(113,350)	89,778
	<b>139,083,606</b>	<b>29,433,658</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>41. Commitments</b>		
<b>Authorised operating and capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
• Operational commitments	164,500,716	120,898,434
	<b>164,500,716</b>	<b>120,898,434</b>
<b>Already contracted for but not provided for</b>		
• Capital commitments	104,373,846	92,357,298
	<b>104,373,846</b>	<b>92,357,298</b>
<b>Total capital commitments</b>		
Operational commitments	164,500,716	120,898,434
Capital commitments	104,373,846	92,357,298
	<b>268,874,562</b>	<b>213,255,732</b>

The municipality still has future commitments to service providers for services still to be rendered. The minimum payments still due to the service providers as at 30 June 2022 amount to R 104 373 846 for capital commitments and R 164 500 716 for Operational commitments. Contracts of which the amount disclosed is for more than on financial year.

### Operating leases - as lessee (expense)

<b>Minimum lease payments due</b>		
- within one year of the reporting date	2,061,962	2,061,962
More than one year but less than five years of the reporting date	515,491	2,577,453
	<b>2,577,453</b>	<b>4,639,415</b>

The municipality has entered in to an operational lease with Velaphanda Trading and projects for Photocopier machines for a period of Three years which became effective on the 1st October 2020 and the total future minimum operating lease payments payable under existing operating lease arrangements are categorized above.



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>42. Contingent Liabilities</b>		
Masenya construction Vs Makhuduthamaga local municipality	175,551	175,551
Alfred Malekana Vs Makhuduthamaga local municipality	3,529,505	2,833,467
Ratale mashifane attorneys Vs Makhuduthamaga local municipality	65,519	65,519
Onnica Sehlola Vs Makhuduthamaga Municipality	81,459	-
	<b>3,852,034</b>	<b>3,074,537</b>

### Masenya Construction vs Makhuduthamaga Local Municipality

The municipality penalised Masenya construction for an amount of R 175 551.17 the reason for the penalties was that Masenya construction failed to complete its work on time as per the contract it entered into with the municipality. The company has challenged the municipality in court, the power of attorney was filed and served at Nebo Magistrate Court on the 12th of November 2019 by the municipality's legal representatives. Judgement was granted in favour of the applicant (Masenya Construction) in respect of costs but the main application was postponed to an unknown date. The municipality's attorneys filed a review application to the high court of Polokwane in respect of the cost judgement and for now we are still waiting for response on the review application; and as at year end the case was not yet finalised

### Mr Alfred Malekane vs Makhuthamaga Local Municipality

Mr Alfred Malekane was dismissed as an employee of the municipality on grounds of financial misconduct following the conclusion of the disciplinary processes by the municipality. Mr Malekane has since challenged his dismissal arguing that he was unfairly dismissed by the municipality. As at year end the case was not yet finalised as we are still waiting for the allocation of a new date. The estimated expenditure on this matter to date is R 3 529 504.57.00.

### Ratale Mashifane Attorneys vs Makhuduthamaga Municipality

Ratale Mashifane Attorneys has issued the summons against municipality wherein he demanded to be paid an amount of R65 518.50 from services which were not rendered. The plaintiff obtained a default judgement - which we have filed an application to rescind it. The rescission application shall be enrolled on opposed roll. As at year end the case was not yet finalised

### Onicca mathabathe sehlola VS Makhuduthamaga Municipality

Onica Mathabathe Sehlola has sued the municipality an amount of R81 458.67 for the damage caused by pothole. The plaintiff has not served us with a notice of bar, Marweshe Attorneys had prepared a notice of exception to the summons, had been served filed at Nebo court. The exception is unopposed the matter shall be set down on unopposed roll for hearing.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>43. Related parties</b>		
<b>Related party transactions</b>		
<b>Section 57 Employees</b>		
Municipal Manager ( Ms Rampedi M.N)	1,394,005	1,130,211
Senior Manager: Corporate Services (Ms Mahlare M.A)	1,051,855	945,978
Senior Manager: Community Services (Ms Marishane)	1,019,832	939,642
Senior Manager: Budget & Treasury (CFO) (Mr Moganedi R.M)	1,103,973	939,714
Senior Manager: Economic Development & Planning (Mr Thabela A.P)	984,314	944,468
Senior Manager: Infrastructure Development (Mr Segale M.A)	1,005,038	940,845
<b>South African Local Government Association</b>		
Annual membership fee	1,305,496	1,062,900
<b>South African Local Government Association</b>		
An amount of R 1 305 496 was paid to the South African Local Governemnt Association as an annual membership fee. The cost of the membership fee amounts to 1% of the total annual employee related cost of the municipality as approved by council for any new financial year.		
<b>Sekhukhune District Municipality</b>		
The municipality has seconded the Deputy CFO ( Mr Nkadimeng H.L ) to serve as an acting CFO of Sekhukhune District Municipality from July 2021. The municipality has paid him a salary to a total of R 1 058 667 for period of 12 months while he serves as acting Chief Financial Officer at Sekhukhune District Municipality.		
The comparative figure for Mr Nkadimeng's secondment amounts to R 159 782.		
<b>Limpopo Department of Transport and Community Safety.</b>		
The municipality has signed a memorandum of agreement with Limpopo Department of Transport and Public Safety for the administration of learners, drivers licenses and vehicle registrations; and the municipality earns Agency fees.		
<b>Limpopo Department of Transport and Community Safety</b>		
Amount collected on behalf of the department	10,680,045	10,287,049

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

#### Remuneration of councillors

#### Councillors

#### 2022

Name	Basic salary	Cellphone Allowance	Car allowance	Pension ,SDL ,data cards and travel claims	Total
CLlr Maitula B.M	565,262	40,800	-	330,047	936,109
CLlr Tala M.A (Speaker)	161,612	14,507	-	91,582	267,701
CLlr Mphelane MJ	291,424	26,293	-	172,460	490,178
CLlr Chego D.K (Chief whip)	151,512	14,507	59,112	27,620	252,750
CLlr Thamaga MM(Chief whip)	273,210	26,293	107,141	54,483	461,128
CLlr Mankge H.N	151,512	14,507	59,112	26,711	251,841
CLlr Mohlala M.J	423,947	40,800	166,254	81,954	712,955
CLlr Diketane S.P (MPAC Chairperson)	393,369	40,800	154,263	76,236	664,668
CLlr Monakedi A.L	84,525	15,413	32,978	15,550	148,466
CLlr Maloma P.T	84,525	14,507	32,978	15,550	147,550
CLlr Mapheto M.T	199,374	41,707	78,186	40,489	359,756
CLlr Maisela K.R	151,512	14,507	59,112	26,711	251,841
CLlr Lerobane M.P	84,525	15,413	32,978	15,631	148,547
CLlr Phala M	357,303	40,800	140,199	73,767	611,990
CLlr Mamahlako P.M	63,930	14,507	24,943	12,104	115,484
CLlr Motseni N.L	63,930	14,507	24,943	12,104	115,484
CLlr Mapitsing T.J	63,930	14,507	24,943	12,104	115,484
CLlr Mabatane M.C	82,044	14,507	32,010	15,127	143,687
CLlr Dolamo	63,930	14,507	24,943	12,104	115,484
CLlr Madihlaba M.G	63,930	14,507	24,943	12,104	115,484
CLlr Diale M.H	63,930	14,507	24,943	12,104	115,484
CLlr Thokoane M.J	48,133	11,740	18,756	9,077	86,793
CLlr Shikoane M.L	63,930	14,507	24,943	12,104	115,484

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

Cllr Mokomane M.L	224,842	41,707	88,173	45,452	400,173
Cllr Dieale K.E	82,044	15,413	32,010	15,217	144,683
Cllr Seboane T.M	63,930	14,507	24,943	12,194	116,480
Cllr Leshalabe M.M	82,044	15,413	31,010	15,217	144,683
Cllr Matjomane N.M	354,835	41,706	139,151	96,639	632,331
Cllr Mathume R.D	63,930	14,507	24,943	12,104	115,484
Cllr Rankoe T.P	236,512	41,706	92,750	56,848	427,817
Cllr Thokwane K.Z	206,821	41,707	81,106	44,263	373,896
Cllr Mosoane E.M	206,821	41,707	81,107	54,403	384,037
Cllr Maleka K.J	63,930	15,413	24,943	12,114	116,400
Cllr Mahlase M.M	234,043	41,706	91,782	51,875	419,406
Cllr Nkadimeng L.R	63,930	15,413	24,943	12,104	116,400
Cllr Thamaga M.R	63,930	15,413	24,943	12,114	116,400
Cllr Morodi P.E	178,884	40,800	70,151	36,941	326,776
Cllr Maredi H.M	63,930	14,507	24,934	12,104	115,484
Cllr Marabele K.O	63,930	14,507	24,943	12,104	115,484
Cllr Maila M.J	63,930	14,507	24,943	12,104	115,484
Cllr Nkgadima M.R	63,930	14,507	24,943	12,104	115,484
Cllr Masemola M.S	63,930	14,507	24,943	12,104	115,484
Cllr Makobe P.A	179,211	40,800	70,151	36,619	326,782
Cllr Mashifane G.M	63,930	14,507	24,943	12,104	115,484
Cllr Moganedi B.E	63,930	14,507	24,943	12,104	115,484
Cllr Matseding M.L	63,930	14,507	24,943	12,104	115,484
Cllr Sekwati K.D	63,930	14,507	24,943	12,104	115,484
Cllr Mamushi F	63,930	14,507	24,943	12,104	115,484
Cllr Leshaba T.R	63,930	14,507	24,943	12,104	115,484
Cllr Magashule M.E	63,930	14,507	24,943	12,104	115,484
Cllr Maduane K.A	63,930	15,413	24,943	12,104	116,400
Cllr Matjageng D.B	63,930	14,507	24,943	12,104	115,484
Cllr Mothogoane D	63,930	14,507	24,943	12,104	115,484
Cllr Komana M.L	63,930	14,507	24,943	12,104	115,484
Cllr Maloma D.R	63,930	14,507	24,943	12,104	115,484
Cllr Mogashoa N.A	63,930	14,507	24,943	12,104	115,484
Cllr Shongwe B.E	63,930	14,507	24,943	12,104	115,484

# Makhuduthamaga Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

Cllr Madutlela K.K	63,930	14,507	24,943	12,104	115,484
Cllr Phasha L.P	63,930	14,507	24,943	12,104	115,484
Cllr Matjie C.D	63,930	14,507	24,943	12,104	115,484
Cllr Sebesho M.S	63,930	14,507	24,943	12,104	115,484
Cllr Ranala S.T	63,930	14,507	24,943	12,104	115,484
Cllr Makua S.S	178,898	40,800	70,151	39,709	329,544
Cllr Phala M.M	63,930	14,507	24,943	12,104	115,484
Cllr Malaka M.S	152,419	26,293	59,772	46,392	284,876
Cllr Masemola P.T	115,281	26,293	45,208	24,515	211,298
Cllr Mmotong M.L	115,281	26,293	45,208	24,515	211,298
Cllr Tshehla M.B	115,281	26,293	45,208	24,515	211,298
Cllr Kgatuke L.D	115,281	26,293	45,208	24,515	211,298
Cllr Machai M.J	115,281	26,293	45,208	26,457	213,249
Cllr Malatjie B.T	115,281	26,293	45,208	28,843	215,626
Cllr Maepa K.J	115,281	26,293	45,208	24,515	211,298
Cllr Matsomane E.M	115,281	26,293	45,208	24,515	211,298
Cllr Mashegoana M.C	115,281	26,293	45,208	25,747	212,530
Cllr Tshehla M.Z	115,281	26,293	45,208	24,515	211,298
Cllr Moretsele L.P	152,419	26,293	59,772	34,886	273,370
Cllr Morwamakoti M	143,217	26,293	56,164	29,823	255,498
Cllr Kgaphola R.K	115,281	26,293	45,208	27,981	214,764
Cllr Ngwanatsoba M.G	115,281	26,293	45,208	24,515	211,298
Cllr Sebowane SH	115,281	26,293	45,208	24,515	211,298
Cllr Nkadimeng K.T	115,281	26,293	45,208	27,271	214,054
Cllr Hleko K	115,281	26,293	45,208	24,515	211,298
Cllr Moshabane D	115,281	26,293	45,208	24,515	211,298
Cllr Thokwane G.A	115,281	26,293	45,208	24,515	211,298
Cllr Mothupi S.M	115,281	26,293	45,208	29,122	215,904
Cllr Selala P.T	115,281	26,293	45,208	24,515	211,298
Cllr Vilakazi S.M	115,281	26,293	45,208	24,515	211,298
Cllr Rantho P.K	115,281	26,293	45,208	24,515	211,298
Cllr Mokalapa M.S	115,281	26,293	45,208	24,515	211,298
Cllr Boshielo M.P	115,281	26,293	45,208	25,534	212,317
Cllr Piitjo M.H	142,266	26,293	55,791	35,207	259,557

# Makhuduthamaga Local Municipality

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## Notes to the Annual Financial Statements

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### 43. Related parties (continued)

Cllr Maduana H.D	115,281	26,293	45,208	24,515	211,298
Cllr Mampana M.A	142,266	26,293	55,791	29,644	253,994
Cllr Ntobeng M.L	115,281	26,293	45,208	24,515	211,298
Cllr Tsatsi M.D	115,281	26,293	45,208	24,515	211,298
Cllr Mogashoa K.J	115,281	26,293	45,208	27,152	213,935
Cllr Mahlase N.E	152,419	26,293	59,772	31,586	270,070
Cllr Modige M.S	110,781	26,293	45,208	24,515	206,798
Cllr Lekoana M.D	115,281	26,293	45,208	24,515	211,297
Cllr Masemola M.E	115,281	26,293	45,208	25,747	212,529
Cllr Aphane M.N	115,281	26,293	45,208	24,515	211,297
Cllr Moretsele M.A	115,281	26,293	45,208	24,515	211,297
Cllr Lethuba M.P	115,281	26,293	45,208	32,015	218,728
Cllr Mohlakwane S.S	115,281	26,293	45,208	25,977	212,759
Cllr Maapea R.S	115,281	26,293	45,208	26,557	213,339
Cllr Machaba M.G	152,419	26,293	59,772	34,031	272,515
Cllr Tau T.T	115,281	26,293	45,208	29,029	215,811
Cllr Ngwato O.M	115,281	26,293	45,208	24,515	211,298
Cllr Lerobane M.M	125,374	26,293	52,952	27,792	231,493
Cllr Monakedi M.J	115,281	26,293	45,208	24,515	211,297
Cllr Matjeding M.J	22,222	3,649	7,407	643	33,921
	<b>13,595,353</b>	<b>2,544,076</b>	<b>4,928,600</b>	<b>3,254,447</b>	<b>24,322,441</b>

# Makhuduthamaga Local Municipality

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## Notes to the Annual Financial Statements

Figures in Rand

### 43. Related parties (continued)

2021

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Total
Cllr Maitula B.M (Mayor)	548,798	40,800	-	269,847	910,772
Cllr Tala M.A (Speaker)	439,039	40,800	-	257,784	737,623
Cllr Chego D.K (Chief Whip)	411,599	40,800	161,412	82,711	696,522
Cllr Mankge H.N	411,599	40,800	161,412	80,164	693,975
Cllr Mohlala M.J	411,599	40,800	161,412	80,164	693,975
Cllr Diketane S.P (MPAC Chairperson)	403,330	40,800	158,169	78,632	680,931
Cllr Monakedi M.J	229,623	40,800	90,048	46,542	407,013
Cllr Maloma P.T	229,623	40,800	90,048	46,542	407,013
Cllr Mapheto M.T	229,623	40,800	90,048	46,516	406,987
Cllr Maisela K.R	411,600	40,800	161,412	81,575	665,381
Cllr Mamahlako P.M	173,675	40,800	68,108	36,186	318,769
Cllr Motseni N.L	173,674	40,800	68,108	36,186	318,768
Cllr Mapitsing T.J	173,674	40,800	68,108	39,432	322,014
Cllr Mabatane M.C	222,882	40,800	87,405	45,271	396,358
Cllr Dolamo M.F	173,674	40,800	68,108	36,186	318,768
Cllr Madihlaba M.G	173,674	40,800	68,108	36,186	318,768
Cllr Diale M.H	173,674	40,800	68,108	36,186	318,768
Cllr Thokwane M.J	173,674	40,800	68,108	36,186	318,768
Cllr Shikoane M.L	173,674	40,800	68,108	36,186	318,768
Cllr Mokomane M.L	222,882	40,800	87,405	45,271	396,358
Cllr Daile K.E	222,882	40,800	87,405	45,271	396,358
Cllr Seboane T.M	173,675	40,800	68,108	36,185	318,768
Cllr Leshalabe M.M	222,882	40,800	87,405	45,271	396,358
Cllr Matjomane N.M	222,882	40,800	87,405	53,405	383,172
Cllr Mathume R.D	173,674	40,800	68,108	36,179	318,761
Cllr Lerobane M.P	229,623	40,800	90,048	46,516	406,987

# Makhuduthamaga Local Municipality

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Figures in Rand

### 43. Related parties (continued)

Cllr Rankoe T.P	229,623	40,800	90,048	46,516	406,987
Cllr Thokoane K.Z	173,674	40,800	68,108	36,187	318,769
Cllr Mosoane E.M	173,674	40,800	68,108	36,186	318,768
Cllr Maleka K.J	173,674	40,800	68,108	36,186	318,768
Cllr Mahlase M.M	222,882	40,800	87,405	45,291	396,378
Cllr Nkadimeng L.R	173,674	40,800	68,108	36,205	318,787
Cllr Thamaga M.R	173,674	40,800	68,108	36,205	318,787
Cllr Morodi P.E	173,674	40,800	68,108	36,186	318,768
Cllr Maredi H.M	173,674	40,800	68,108	36,186	318,768
Cllr Marabele K.O	173,674	40,800	68,108	36,186	318,768
Cllr Maila M.J	173,674	40,800	68,108	36,186	318,768
Cllr Nkgadima M.R	173,674	40,800	68,108	36,186	318,768
Cllr Masemola M.S	173,675	40,800	68,108	36,186	318,769
Cllr Makobe P.A	173,674	40,800	68,108	36,187	318,769
Cllr Mashifane G.M	173,674	40,800	68,109	36,205	318,788
Cllr Moganedi B.E	173,674	40,800	68,108	36,205	318,787
Cllr Matseding M.L	173,674	40,800	68,108	36,186	318,768
Cllr Sekwati K.D	173,674	40,800	68,108	36,205	318,787
Cllr Mamushi F	173,674	40,800	68,108	36,186	318,768
Cllr Phala M	229,623	40,800	90,048	46,516	406,987
Cllr Matjageng D.B	173,674	40,800	68,108	36,186	318,768
Cllr Maduane K.A	173,674	40,800	68,108	36,186	318,768
Cllr Mothogwane D	173,674	40,800	68,109	36,186	318,769
Cllr Komana M.L	173,674	40,800	68,108	36,186	318,768
Cllr Maloma D.R	173,674	40,800	68,108	36,186	318,768
Cllr Mogashoa N.A	173,674	40,800	68,108	36,186	318,768
Cllr Shongwe B.E	173,674	40,800	68,108	36,205	318,787
Cllr Madutlela K.K	173,674	40,800	68,108	36,205	318,787
Cllr Phasha L.P	173,674	40,800	68,108	36,205	318,787
Cllr Matjie C.D	173,675	40,800	68,108	36,186	318,769
Cllr Sebesho M.S	173,674	40,800	68,108	36,205	318,787
Cllr Ranala S.T	173,674	40,800	68,108	36,186	318,768
Cllr Makua S.S	173,674	40,800	68,108	36,185	318,767
Cllr Magashule M.E	173,674	40,800	68,108	36,205	318,787



# Makhuduthamaga Local Municipality

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## Notes to the Annual Financial Statements

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### 43. Related parties (continued)

Cllr Leshaba T.R	173,675	40,800	68,108	36,205	318,788
Cllr Phala M.M	173,674	40,800	68,108	36,205	318,786
	<b>13,220,581</b>	<b>2,529,600</b>	<b>4,797,181</b>	<b>3,049,270</b>	<b>23,596,632</b>

### 44. Risk management

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2022	2021
Receivables from non-exchange transactions	4,507,314	3,179,509
Receivables from exchange transactions	1,808,348	1,205,755
Cash & cash equivalents	104,971,637	14,360,310
VAT Receivable	20,828,011	16,075,778
Maximum Risk Exposure	132,115,310	34,821,353

### 45. Unauthorised expenditure

Opening balance as previously reported	86,261,879	108,372,394
Add: Unauthorised expenditure - current	7,049,638	38,086,857
Less: Unauthorised expenditure write off- prior period	(89,261,879)	-
Less: Unauthorised expenditure written off - Current year	-	(60,197,372)
<b>Closing balance</b>	<b>4,049,638</b>	<b>86,261,879</b>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 45. Unauthorised expenditure (continued)

The over expenditure incurred by municipal departments during the year is attributable to the following categories:

Non-cash	-	35,396,312
Cash	-	2,690,545
	-	<b>38,086,857</b>

#### Analysed as follows: non-cash

Employee related cost	-	829,000
Depreciation and amortisation	-	2,611,890
Finance charges	-	1,516,943
Loss on disposal of property, plant and equipment	-	28,972,464
Acturial (Gain)/loss	-	1,466,015
Genera Expenditure	7,049,638	-
	<b>7,049,638</b>	<b>35,396,312</b>

#### Analysed as follows: cash

General expenditure	7,049,638	2,690,545
	<b>7,049,638</b>	<b>2,690,545</b>

#### Unauthorised expenditure: Budget overspending – per municipal department:

Executive support	1,778,949	7,596,118
Community services	4,503,837	3,515,352
Corporate services	766,852	6,873,968
Budget and Treasury Office	-	20,101,419
	<b>7,049,638</b>	<b>38,086,857</b>

#### Council Approval on unauthorised expenditure

During the current year ended 30 June 2022, MPAC investigated all historic Unauthorised expenditure and discovered that there are council resolutions from the previous financial years in which council has written off the unauthorised expenditure as irrecoverable. The amount of R205 185 199 was approved by council to be written off as irrecoverable. Aprior period error is disclosed for the unauthorised expenditure that was written in the prior years.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>46. Fruitless and wasteful expenditure</b>		
Opening balance as previously reported	463,183	463,286
Less: Amount written off - prior period	(398,430)	-
Less amount written off in thr prior year.	-	(103)
<b>Closing balance</b>	<b>64,753</b>	<b>463,183</b>

The amount of R 571 999 is the balance of Fruitless and wasteful expenditure of the previous years starting from 2014/2015 financial year, the municipality did not incur any fruitless and wasteful expenditure in the current year of 2021/2022 financial year. During the current year MPAC investigated the fruitless expenditure and recommended to council to write off an amount of R398 430 as irrecoverable and further recommended for the amount of R64 753 to be recovered. The amount of R108 712 was found to have been written off by council in 2017/2018 through council resolution number 35 of 2017/2018 while R103 was written off in 2020/2021 through council resolution number 36 of 2020/2021.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>47. Irregular expenditure</b>		
Opening balance as previously reported	26,401,491	34,364,552
Add: Irregular expenditure - current	65,727,853	62,417,624
Less: Irregular expenditure written off - current year	(27,221,540)	(70,380,685)
Less: Irregular expenditure written off - Prior year	(4,534,940)	-
<b>Closing balance</b>	<b>60,372,864</b>	<b>26,401,491</b>

As per MFMA circular no 68 municipalities are advised to record their irregular expenditure in the irregular expenditure register and consequently disclose it in the annual financial statements inclusive of VAT the circular became into existence in October 2021. The latter is due to the amount of the transgression from the provisions of the applicable legislation as contained in the definition of the irregular expenditure is the full value of the transaction involved and not just a portion of the transaction and the adjustment is effected from the financial year 2021/22. The irregular expenditure disclosed above is VAT inclusive

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

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### 47. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	<b>Status of irregular Expenditure</b>		
Management said the tender documents bill of quantity requested the rates per item and did not specifically request the total bid amount for three years, hence the bidders responded differently according to their understanding, The contract for Mogwape Trading Enterprise and Municipality have lapsed.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	714,440
The service provider was awarded the bid in contravention of section 112 of the MFMA as the bid document of the service provider submitted for audit did not have certain pages and it also looked like a copy to the auditors. The irregular expenditure was discovered by the AGSA during the external audit for the year 2017/18 financial year. The reported expenditure relates to the 2019/20 financial year of the 36 months contract.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	17,329,422	15,069,217
The bid was advertised for a period less than 60 days as required by the SCM regulations and the SCM policy. The irregular expenditure was discovered by the AGSA during the external audit of the 2017/18 financial year. The reported expenditure relates to the 2019/20 financial year of the five year contract.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	237,259	148,213
The appointed service provider did not comply with the responsive criteria as stated in the tender document by not initializing some of the pages in the tender document. The reported expenditure relates to the 2019/20 financial year of the 36 months contract	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	13,668,563	15,963,459

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

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### 47. Irregular expenditure (continued)

The appointed service provider did not comply with the responsive criteria as stated in the tender document. The irregular expenditure was discovered during the 2018/19 external audit by AGSA. The reported expenditure relates to the 2019/20 financial year of the multi-year construction contract.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	9,382,328
The winning bidder did not comply with the responsive criteria as stated in the tender document.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	7,534,609
Winning bidder not included on the closing register submitted for audit	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	139,680
Award to person in service of the state.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	19,850
CIBD grading of the winning bidder expired prior to award of the bid.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	195,000
Bidder's municipal account statement in arrears for more than 90 days.	The irregular expenditure was investigated by MPAC and was approved by council to be written off as irrecoverable.	-	13,250,828
Bidder did not initialize one page	The irregular was identified by the Auditor General during the current year Audit	1,724,749	-
Appointment of the highest quote without justification	The irregular was identified by the Auditor General during the current year Audit	28,750	-
Award to person in service of the state.	The irregular was identified by the Auditor General during the current year Audit	34,600	-
The awarded and the competing supplier are using the same address	The irregular was identified by the Auditor General during the current year Audit	29,250	-
The supplier did not complete the local content declaration fully	The irregular was identified by the Auditor General during the current year Audit	14,528,359	-
The supplier did not complete the local content declaration fully	The irregular was identified by the Auditor General during the current year Audit	5,718,145	-
The supplier did not complete the local content declaration fully	The irregular was identified by the Auditor General during the current year Audit	1,035,690	-
The supplier did not complete the local content declaration fully	The irregular was identified by the Auditor General during the current year Audit	3,985,005	-
The supplier did not complete the local content declaration fully	The irregular was identified by the Auditor General during the current year Audit	199,716	-
Deliberate split of services	The irregular was identified by the Auditor General during the current year Audit	6,487,177	-
Award to person in service of the state.	The irregular was identified by the Auditor General during the current year Audit	691,098	-

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

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### 47. Irregular expenditure (continued)

Award to person in service of the state.

The irregular was identified by the Auditor General during the current year Audit

30,070	-
<u>65,727,853</u>	<u>62,417,624</u>

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>48. Reconciliation between budget and statement of financial performance</b>		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	106,880,926	35,864,993
<b>Adjusted for:</b>		
Investment revenue - Under collection / (over collection)	(1,374,286)	(205,967)
Transfers recognised-under collection/ (over collection)	-	604,903
Other own revenue-under collection/ (over collection)	9,507,553	1,157,633
Depreciation-over spending/ (under spending)	3,147,530	2,611,890
Employee related costs-over spending/ (under spending)	9,825,087	1,850,578
Remuneration of councillors-over spending/ (under spending)	(402,219)	64,660
Reversal of debt impairment provision allowance	(435,961,804)	-
Debt impairment-over spending/ (under spending)	6,872,873	28,972,464
Other expenditureover spending/ (under spending)	15,633,145	15,322,264
Transfers and grants	1,244,622	-
Bad debt written off	374,764,157	-
Property rates -under collection/ (over collection)	5,658,636	2,063,187
Interest expense - Non-current provisions & overdue accounts)	(2,034,557)	1,516,943
D-roads expensed	-	65,678,489
Interest on outstanding debtors	(11,482,115)	(1,069,572)
<b>Net surplus per approved budget</b>	<b>82,279,548</b>	<b>154,432,465</b>
<b>49. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Audit fees</b>		
Amount paid - current year	(4,283,087)	(4,429,665)
	<b>(4,283,087)</b>	<b>(4,429,665)</b>
<b>PAYE and UIF</b>		
Opening balance	-	1,225,702
Current year subscription / fee	18,734,269	16,142,848
Amount paid - current year	(18,531,411)	(16,142,848)
Amount paid - previous years	-	(1,225,702)
<b>Outstanding balance as at year end</b>	<b>202,858</b>	<b>-</b>
<b>Pension and Medical Aid Deductions</b>		
Opening balance	-	1,679,572
Current year subscription / fee	24,279,495	23,089,581
Amount paid - current year	(24,188,464)	(23,089,581)
Amount paid - previous years	-	(1,679,572)
<b>Outstanding balance as at year end</b>	<b>91,031</b>	<b>-</b>



# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 49. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Supply chain management regulations

In terms of regulation 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved by the Municipal Manager/her delegate and noted by Council. The expenses incurred as listed hereunder have been condoned by council

#### Incident

Deviation as per section 36(1)(a)(i) of the SCM regulations (Emergency)	912,864	620,500
Deviation as per section 36(1)(a)(ii) of the SCM regulations (Single provider)	496,454	375,679
Deviation as per section 36(1)(v) of the SCM regulations (Impractical to follow SCM processes)	7,288,081	6,674,177
	<b>8,697,399</b>	<b>7,670,356</b>

### 50. Prior period errors

#### Property Plant and Equipment.

Depreciation for buildings was erroneously recorded in the prior year and the misstatement of R289 was retrospectively corrected.

Depreciation for IT equipments to an amount of R10 502 was erroneously recorded and the error was retrospectively corrected.

Depreciation for Infrastructure assets to an amount of R63 097 was erroneously recorded and the error was retrospectively corrected.

#### Unauthorised Expenditure.

The municipal council wrote off an amount of R 57 074 568 for unauthorised expenditure through council resolution number 138 of 2018/19 and R 1 651 380.00 through council resolution number 35 of 2017/2018. This total amount of R58 725 948 was erroneously disclosed in the current year and was retrospectively corrected to adjust the opening balance of the prior year 2020/2021 from the previously reported balance of R 167 098 342 to R 108 372 394.

The municipal council further wrote off an amount of R 60 197 372 for unauthorised expenditure through council resolution number 36 of 2020/2021. This total amount of R60 197 372 was erroneously disclosed in the current year and was retrospectively corrected to adjust the opening balance of the current year 2021/2022.

#### Fruitless and wasteful expenditure.

The municipal council wrote off an amount of R 108 712 for fruitless expenditure as irrecoverable in 2017/2018 through council resolution number 35 of 2017/2018. The total amount of R108 712 was erroneously written off in the current year on the financial statements and was retrospectively corrected to adjust the opening balance of 2020/2021 from R 571 999 to R 463 287. Further more the amount of R103 was written off in 2020/2021 by council through council resolution number 36 of 2020/2021 which was erroneously accounted for in the current year. The error was corrected retrospectively to adjust the opening balance for the current year.

#### Irregular expenditure.

The municipal council wrote off irregular expenditure to an amount of R 103 851 755 in the prior year and the amount was erroneously disclosed in the current year. The error was corrected retrospectively to adjust the opening balance for the prior year. Further more the amount of R 70 380 685 for irregular expenditure written off in 2020/2021 was also disclosed erroneously in the current year. The error was corrected retrospectively to adjust the opening balance for the current year.

#### Contingent Liabilities.

The contingent liability for the former employee of the municipality Mr. Malekana M.A was erroneously disclosed as R 600 000 in the prior year. The correct amount for the prior year disclosure as calculated using the employee's annual salary for the period that has passed as at year end for the prior year is R 2 833 467

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 50. Prior period errors (continued)

#### Related Parties.

The municipality is operating Nebo DLTC and Sekhukhune DLTC which is the function of the Limpopo Department of Transport and safety. The municipality is getting an agency fee for the service rendered on behalf of the department. The amount of R10 287 049 for the amount collected and paid to the Limpopo Department of Transport and safety was erroneously omitted in the disclosure of related parties in the prior year and the error was corrected retrospectively.

#### Income received in advance (Debtors with credit balance).

The amount of R 176 937 for income received in advance during the 2019/2020 was erroneously not allocated to the receivables accounts. A corrective journal was passed and the payables and receivables from non-exchange transactions was retrospectively corrected.

#### Statement of financial position

##### 2021

	Note	Correction of error	Restated
Increase in Buildings		289	289
Increase in IT equipment		10,502	10,502
Increase in Infrastructure		63,097	63,097
Increase in Trade payables		176,937	176,937
		<b>250,825</b>	<b>250,825</b>

#### Statement of financial performance

##### 2021

	Note	Correction of error	Restated
Decrease in Depreciation of Buildings		(289)	(289)
Decrease in depreciation of IT equipment		(10,502)	(10,502)
Decrease in depreciation of Infrastructure		(63,097)	(63,097)
Decrease in Debtors		(176,937)	(176,937)
<b>Surplus for the year</b>		<b>(250,825)</b>	<b>(250,825)</b>

### 51. Events after the reporting date

#### Appointment of Municipal Manager.

The contract of the Municipal Manager Ms Rampedi M.N came to an end on the 30th June 2022 and the Chief Financial Officer of makhuduthamaga Mr Moganedi R.M was appointed by the council on the 1st of July 2022 as the Acting Municipal Manager for a period of 3 months. To ensure segregation of duties and best practices the council also appointed Mr Mothapo K.T manager expenditure to act as a Chief Financial Officer for a period of 3 Months.

Furthermore, the council went through the recruitment process for the appointment of the Municipal Manager for a period of five (5) years and the process was concluded on the 4th of November 2022. The council appointed Mr. Moganedi R.M as the Municipal anager of the municipality for the next 5 years with effect from 01 December 2022.

#### Audit committee chairperson.

The chaieperson of the Audit and Performance Committee Advocate Manthata H.M passed away in June 2022 and Mr Mpjane N.J (CA) SA was appointed as the new audit committee chairperson effective from July 2022 to 30 June 2023.

# Makhuduthamaga Local Municipality

Annual Financial Statements for the year ended June 30, 2022

## Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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### 51. Events after the reporting date (continued)

#### Irregular Expenditure.

The municipality incurred irregular expenditure during the current year and the prior year which was referred to MPAC for investigations by Council during the year. The MPAC investigation report and recommendation for an amount of R 4 534 940 relating to the current year write off was approved by council through council resolution number 29 of 2022 after year end but before the Financial statements could be finalised for reporting. The transaction constitute and adjusting event after the reporting date and the Annual financial Statements for the year ended 30 June 2022 were adjusted with this amount

#### Unauthorised expenditure.

The municipality incurred unauthorised expenditure during the current year and the prior year which was referred to MPAC for investigations by Council during the year. The MPAC investigation report and recommendation for an amount of R 89 261 879 relating to the current year and prior year write off was approved by council through council resolution number 29 of 2022 after year end but before the Financial statements could be finalised for reporting. The transaction constitute and adjusting event after the reporting date and the Annual financial Statements for the year ended 30 June 2022 were adjusted with this amount in the current year.

#### Fruitless and Wasteful expenditure.

The municipality incurred fruitless and wasteful expenditure during the prior years which was referred to MPAC for investigations by Council during the year. The MPAC investigation report and recommendation for an amount of R 398 430 relating to the prior year write off was approved by council through council resolution number 29 of 2022 after year end but before the Financial statements could be finalised for reporting. The transaction constitute and adjusting event after the reporting date and the Annual financial Statements for the year ended 30 June 2022 were adjusted with this amount in the current year.

### 52. Reversal of debt impairment loss

Opening balance - Provision for Debt impairment	543,330,715	-
Closing balance - Provision for debt impairment	(107,368,837)	-
	<b>435,961,878</b>	<b>-</b>

The municipality reached a settlement agreement with the Department of Public Works during the financial year ended 30 June 2022 to settle the long outstanding debt for Property rates. Public works paid a portion of the debt and council wrote off the other part of the balance of the debt that the municipality has provided impairment for in the prior financial years. The transaction resulted in a net reversal of provision for impairment allowance recognised to the amount of R435 961 804.00.

### 53. Bad debts written off

Bad debts written off	374,764,157	-
	<b>374,764,157</b>	<b>-</b>

The municipality has written off the debt for the department of public works in the current year to an amount of R 374 764 157 and therefore the impairment was reversed as per GRAP 104 paragraph 63

### 54. Contingent assets

Agency fee	81,770	-
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Cash in transit from Sekhukhune DLTC to the amount of R81 770 was lost due to robbery and the claim was lodged with the insurance of the municipality. As at year end, the municipality did not receive a confirmation for the approval of the claim.

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2022**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	265,000	-	-	-	-	-	265,000	-	-	-	-	-	-	265,000
Landfill Sites (Separate for AFS purposes)	16,471,695	-	-	-	-	(2,481,688)	13,990,007	(6,838,263)	-	-	(2,383,915)	-	(9,222,178)	4,767,829
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	52,286,492	-	-	6,053,127	-	-	58,339,619	(15,026,155)	-	-	(2,130,881)	-	(17,157,036)	41,182,583
	<b>69,023,187</b>	-	-	<b>6,053,127</b>	-	<b>(2,481,688)</b>	<b>72,594,626</b>	<b>(21,864,418)</b>	-	-	<b>(4,514,796)</b>	-	<b>(26,379,214)</b>	<b>46,215,412</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	351,837,287	19,631,351	-	-	-	-	371,468,638	(126,673,800)	-	-	(18,418,408)	-	(145,092,208)	226,376,430
WIP Infrastructure	13,188,061	41,729,393	-	(25,684,478)	-	-	29,232,976	-	-	-	-	-	-	29,232,976
WIP Electricity infrastructure	-	19,169,721	-	(19,169,721)	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>365,025,348</b>	<b>80,530,465</b>	-	<b>(44,854,199)</b>	-	-	<b>400,701,614</b>	<b>(126,673,800)</b>	-	-	<b>(18,418,408)</b>	-	<b>(145,092,208)</b>	<b>255,609,406</b>
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2022**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	35,664,681	2,368,021	-	-	-	-	<b>38,032,702</b>	(25,138,133)	-	-	(3,688,845)	-	<b>(28,826,978)</b>	9,205,724
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	23,741,796	3,407,907	(98,557)	-	-	-	<b>27,051,146</b>	(17,345,936)	49,110	-	(3,430,174)	-	<b>(20,727,000)</b>	6,324,146
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	9,396,611	230,900	(49,900)	-	-	-	<b>9,577,611</b>	(6,364,782)	49,900	-	(796,403)	-	<b>(7,111,285)</b>	2,466,326
Community assets	14,402,779	-	-	-	-	-	<b>14,402,779</b>	(2,728,038)	-	-	(687,170)	-	<b>(3,415,208)</b>	10,987,571
Loose tools	3,611,961	825,855	-	-	-	-	<b>4,437,816</b>	(3,025,396)	-	-	(296,845)	-	<b>(3,322,241)</b>	1,115,575
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>86,817,828</b>	<b>6,832,683</b>	<b>(148,457)</b>	-	-	-	<b>93,502,054</b>	<b>(54,602,285)</b>	<b>99,010</b>	-	<b>(8,899,437)</b>	-	<b>(63,402,712)</b>	<b>30,099,342</b>

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at June 30, 2022**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Closing Balance	Opening Balance	Disposal Accumulated depreciation	Transfers	Depreciation	Impairment loss	Closing Balance	Carrying value
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Total property plant and equipment</b>														
Land and buildings	69,023,187	-	-	6,053,127	-	(2,481,688)	72,594,626	(21,864,418)	-	-	(4,514,796)	-	(26,379,214)	46,215,412
Infrastructure	365,025,348	80,530,465	-	(44,854,199)	-	-	400,701,614	(126,673,800)	-	-	(18,418,408)	-	(145,092,208)	255,609,406
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,817,828	6,832,683	(148,457)	-	-	-	93,502,054	(54,602,285)	99,010	-	(8,899,437)	-	(63,402,712)	30,099,342
	<b>520,866,363</b>	<b>87,363,148</b>	<b>(148,457)</b>	<b>(38,801,072)</b>	-	<b>(2,481,688)</b>	<b>566,798,294</b>	<b>(203,140,503)</b>	<b>99,010</b>	-	<b>(31,832,641)</b>	-	<b>(234,874,134)</b>	<b>331,924,160</b>
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	8,215,070	-	-	-	-	-	8,215,070	(7,632,274)	-	-	(506,244)	-	(8,138,518)	76,552
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>8,215,070</b>	-	-	-	-	-	<b>8,215,070</b>	<b>(7,632,274)</b>	-	-	<b>(506,244)</b>	-	<b>(8,138,518)</b>	<b>76,552</b>
<b>Investment properties</b>														
Investment property	209,500	-	-	-	-	-	209,500	-	-	-	-	-	-	209,500
	<b>209,500</b>	-	-	-	-	-	<b>209,500</b>	-	-	-	-	-	-	<b>209,500</b>
<b>Total</b>														
Land and buildings	69,023,187	-	-	6,053,127	-	(2,481,688)	72,594,626	(21,864,418)	-	-	(4,514,796)	-	(26,379,214)	46,215,412
Infrastructure	365,025,348	80,530,465	-	(44,854,199)	-	-	400,701,614	(126,673,800)	-	-	(18,418,408)	-	(145,092,208)	255,609,406
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	86,817,828	6,832,683	(148,457)	-	-	-	93,502,054	(54,602,285)	99,010	-	(8,899,437)	-	(63,402,712)	30,099,342
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	8,215,070	-	-	-	-	-	8,215,070	(7,632,274)	-	-	(506,244)	-	(8,138,518)	76,552
Investment properties	209,500	-	-	-	-	-	209,500	-	-	-	-	-	-	209,500
	<b>529,290,933</b>	<b>87,363,148</b>	<b>(148,457)</b>	<b>(38,801,072)</b>	-	<b>(2,481,688)</b>	<b>575,222,864</b>	<b>(210,772,777)</b>	<b>99,010</b>	-	<b>(32,338,885)</b>	-	<b>(243,012,652)</b>	<b>332,210,212</b>

**Makhuduthamaga Local Municipality**  
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**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	265,000	-	-	-	-	-	265,000	-	-	-	-	-	-	265,000
Landfill Sites (Separate for AFS purposes)	14,015,049	-	-	-	-	2,456,646	16,471,695	(2,720,340)	-	-	(4,117,923)	-	(6,838,263)	9,633,432
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	49,386,492	2,900,000	-	-	-	-	52,286,492	(12,981,066)	-	-	(2,045,378)	-	(15,026,444)	37,260,048
	<b>63,666,541</b>	<b>2,900,000</b>	-	-	-	<b>2,456,646</b>	<b>69,023,187</b>	<b>(15,701,406)</b>	-	-	<b>(6,163,301)</b>	-	<b>(21,864,707)</b>	<b>47,158,480</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	324,792,109	27,045,177	-	-	-	-	351,837,286	(109,292,421)	-	-	(17,444,475)	-	(126,736,896)	225,100,390
WIP (Infrastructure)	21,407,828	21,725,409	-	(29,945,177)	-	-	13,188,060	-	-	-	-	-	-	13,188,060
WIP Electricity infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastructure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>346,199,937</b>	<b>48,770,586</b>	-	<b>(29,945,177)</b>	-	-	<b>365,025,346</b>	<b>(109,292,421)</b>	-	-	<b>(17,444,475)</b>	-	<b>(126,736,896)</b>	<b>238,288,450</b>
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Heritage assets</b>														
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Specialised vehicles</b>														
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>														
General vehicles	35,664,681	-	-	-	-	-	35,664,681	(21,052,955)	-	-	(4,085,178)	-	(25,138,133)	10,526,548
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	21,182,444	2,650,202	(90,850)	-	-	-	23,741,796	(14,199,591)	60,047	-	(3,216,894)	-	(17,356,438)	6,385,358
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	4,859,262	1,760,430	-	-	-	-	6,619,692	(3,674,836)	-	-	(510,881)	-	(4,185,717)	2,433,975
Office Equipment	2,566,465	210,450	-	-	-	-	2,776,915	(1,923,546)	-	-	(255,515)	-	(2,179,061)	597,854
Community Assets	14,402,779	-	-	-	-	-	14,402,779	(2,082,770)	-	-	(645,268)	-	(2,728,038)	11,674,741
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loose tools	3,565,961	46,000	-	-	-	-	3,611,961	(2,708,754)	-	-	(316,642)	-	(3,025,396)	586,565
	<b>82,241,592</b>	<b>4,667,082</b>	<b>(90,850)</b>	-	-	-	<b>86,817,824</b>	<b>(45,642,452)</b>	<b>60,047</b>	-	<b>(9,030,378)</b>	-	<b>(54,612,783)</b>	<b>32,205,041</b>



**Makhuduthamaga Local Municipality**  
**Makhuduthamaga Local Municipality**  
**Appendix B**

**Analysis of property, plant and equipment as at 30 June 2021**  
**Cost/Revaluation** **Accumulated depreciation**

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
<b>Total property plant and equipment</b>														
Land and buildings	63,666,541	2,900,000	-	-	-	2,456,646	69,023,187	(15,701,406)	-	-	(6,163,301)	-	(21,864,707)	47,158,480
Infrastructure	346,199,937	48,770,586	-	(29,945,177)	-	-	365,025,346	(109,292,421)	-	-	(17,444,475)	-	(126,736,896)	238,288,450
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	82,241,592	4,667,082	(90,850)	-	-	-	86,817,824	(45,642,452)	60,047	-	(9,030,378)	-	(54,612,783)	32,205,041
	<b>492,108,070</b>	<b>56,337,668</b>	<b>(90,850)</b>	<b>(29,945,177)</b>	<b>-</b>	<b>2,456,646</b>	<b>520,866,357</b>	<b>(170,636,279)</b>	<b>60,047</b>	<b>-</b>	<b>(32,638,154)</b>	<b>-</b>	<b>(203,214,386)</b>	<b>317,651,971</b>
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Intangible assets</b>														
Computers - software & programming	8,215,070	-	-	-	-	-	8,215,070	(6,508,481)	-	-	(1,123,793)	-	(7,632,274)	582,796
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>8,215,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,215,070</b>	<b>(6,508,481)</b>	<b>-</b>	<b>-</b>	<b>(1,123,793)</b>	<b>-</b>	<b>(7,632,274)</b>	<b>582,796</b>
<b>Investment properties</b>														
Investment property	209,500	-	-	-	-	-	209,500	-	-	-	-	-	-	209,500
	<b>209,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,500</b>
<b>Total</b>														
Land and buildings	63,666,541	2,900,000	-	-	-	2,456,646	69,023,187	(15,701,406)	-	-	(6,163,301)	-	(21,864,707)	47,158,480
Infrastructure	346,199,937	48,770,586	-	(29,945,177)	-	-	365,025,346	(109,292,421)	-	-	(17,444,475)	-	(126,736,896)	238,288,450
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	82,241,592	4,667,082	(90,850)	-	-	-	86,817,824	(45,642,452)	60,047	-	(9,030,378)	-	(54,612,783)	32,205,041
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	8,215,070	-	-	-	-	-	8,215,070	(6,508,481)	-	-	(1,123,793)	-	(7,632,274)	582,796
Investment properties	209,500	-	-	-	-	-	209,500	-	-	-	-	-	-	209,500
	<b>500,532,640</b>	<b>56,337,668</b>	<b>(90,850)</b>	<b>(29,945,177)</b>	<b>-</b>	<b>2,456,646</b>	<b>529,290,927</b>	<b>(177,144,760)</b>	<b>60,047</b>	<b>-</b>	<b>(33,761,947)</b>	<b>-</b>	<b>(210,846,660)</b>	<b>318,444,267</b>

**Makhuduthamaga Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2022**

**2022/2021**

**2021/2020**

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue By Source</b>												
Property rates	50,076,992	-	50,076,992	44,418,356		(5,658,636)	89 %	89 %				41,315,231
Service charges - electricity revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - water revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - sanitation revenue	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Service charges - refuse revenue	156,600	-	156,600	150,252		(6,348)	96 %	96 %				134,867
Actuarial gains	-	-	-	465,129		465,129	DIV/0 %	DIV/0 %				-
Rental of facilities and equipment	138,000	-	138,000	106,779		(31,221)	77 %	77 %				114,166
Interest earned - external investments	1,650,000	-	1,650,000	3,024,286		1,374,286	183 %	183 %				1,652,967
Interest earned - outstanding debtors	41,873,000	(15,000,000)	26,873,000	38,354,991		11,481,991	143 %	92 %				40,171,417
Dividends received	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Fines, penalties and forfeits	155,000	(100,000)	55,000	287,450		232,450	523 %	185 %				-
Reversal of debt impairment loss	-	-	-	435,961,804		435,961,804	DIV/0 %	DIV/0 %				-
Agency services	6,800,000	(6,800,000)	-	5,376,306		5,376,306	DIV/0 %	79 %				5,480,633
Transfers and subsidies	299,807,000	20,000,000	319,807,000	320,035,314		228,314	100 %	107 %				344,951,097
Other revenue	167,000	6,800,000	6,967,000	313,085		(6,653,915)	4 %	187 %				326,148
Gains on disposal of PPE	-	-	-	40,350		40,350	DIV/0 %	DIV/0 %				27,600
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>400,823,592</b>	<b>4,900,000</b>	<b>405,723,592</b>	<b>848,534,102</b>		<b>442,810,510</b>	<b>209 %</b>	<b>212 %</b>				<b>434,174,126</b>

**Makhuduthamaga Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2022**

**2022/2021**

**2021/2020**

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Expenditure By Type</b>												
Employee related costs	106,419,000	(6,355,857)	100,063,143	90,238,056	-	(9,825,087)	90 %	85 %	-	-	-	85,736,030
Remuneration of councillors	25,084,000	(1,163,778)	23,920,222	24,322,441	-	402,219	102 %	97 %	-	-	-	23,596,632
Debt impairment	41,872,876	(35,000,003)	6,872,873	-	-	(6,872,873)	- %	- %	-	-	-	71,808,037
Depreciation & asset impairment	29,199,000	6,287,078	35,486,078	32,338,548	-	(3,147,530)	91 %	111 %	-	-	-	33,688,066
Finance charges	-	-	-	2,034,557	-	2,034,557	DIV/0 %	DIV/0 %	-	-	-	1,516,943
Bad debt written off	-	-	-	374,764,157	-	374,764,157	DIV/0 %	DIV/0 %	-	-	-	-
Inventory consumed	3,500,000	(1,000,000)	2,500,000	4,270,076	-	1,770,076	171 %	122 %	-	-	-	2,587,294
Contracted services	112,662,000	54,113,000	166,775,000	127,421,448	-	(39,353,552)	76 %	113 %	-	-	-	122,653,551
Transfers and subsidies	5,200,000	(2,000,000)	3,200,000	1,955,378	-	(1,244,622)	61 %	38 %	-	-	-	2,895,169
Other expenditure	37,339,000	12,914,000	50,253,000	73,973,407	-	23,720,407	147 %	198 %	-	-	-	59,101,922
Loss on disposal of PPE	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Total Expenditure</b>	<b>361,275,876</b>	<b>27,794,440</b>	<b>389,070,316</b>	<b>731,318,068</b>	<b>-</b>	<b>342,247,752</b>	<b>188 %</b>	<b>202 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>403,583,644</b>
<b>Surplus/(Deficit)</b>	<b>39,547,716</b>	<b>(22,894,440)</b>	<b>16,653,276</b>	<b>117,216,034</b>		<b>100,562,758</b>	<b>704 %</b>	<b>296 %</b>				<b>30,590,482</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	65,627,000	-	65,627,000	61,777,288		(3,849,712)	94 %	94 %				70,953,000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Transfers and subsidies - capital (in- kind - all)	-	-	-	-		-	DIV/0 %	DIV/0 %				-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>105,174,716</b>	<b>(22,894,440)</b>	<b>82,280,276</b>	<b>178,993,322</b>		<b>96,713,046</b>	<b>218 %</b>	<b>170 %</b>				<b>101,543,482</b>
Taxation	-	-	-	-		-	DIV/0 %	DIV/0 %				-
<b>Surplus/(Deficit) after taxation</b>	<b>105,174,716</b>	<b>(22,894,440)</b>	<b>82,280,276</b>	<b>178,993,322</b>		<b>96,713,046</b>	<b>218 %</b>	<b>170 %</b>				<b>101,543,482</b>
Attributable to minorities	-	-	-	-		-	DIV/0 %	DIV/0 %				-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>105,174,716</b>	<b>(22,894,440)</b>	<b>82,280,276</b>	<b>178,993,322</b>		<b>96,713,046</b>	<b>218 %</b>	<b>170 %</b>				<b>101,543,482</b>
Share of surplus/ (deficit) of associate	-	-	-	-		-	DIV/0 %	DIV/0 %				-
<b>Surplus/(Deficit) for the year</b>	<b>105,174,716</b>	<b>(22,894,440)</b>	<b>82,280,276</b>	<b>178,993,322</b>		<b>96,713,046</b>	<b>218 %</b>	<b>170 %</b>				<b>101,543,482</b>



A U D I T O R - G E N E R A L

The Accounting Officer  
Makhuduthamaga Local Municipality  
Private Bag x 434  
Jane Furse  
1085

30 November 2021

Reference: 60058REG20/21

Dear

**Report of the Auditor-General on the financial statements, annual performance report, compliance with legislation and other legal and regulatory requirements of Makhuduthamaga Local Municipality for the year ended 30 June 2021**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act No. 25 of 2004 (PAA) read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act 56 of 2003 (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and the annual performance report and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements, the annual performance report or our audit report on compliance with legislation. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section 121(3) of the MFMA you are required to include the audit report in the Makhuduthamaga Local Municipality's annual report to be tabled.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements, annual performance report and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.



5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. The confidentiality of information obtained in an engagement must be observed at all times. In terms of section 50 of the Public Audit Act (PAA) and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (*including International Independence Standards*), the AGSA, or an audit firm appointed in terms of section 25 of the PAA, may not disclose or make available any information obtained during an audit, other than the final auditor's report, to any third party unless this is to a legislature or internal committee of a legislature or a court in a criminal matter and the disclosure has been approved by the auditee and the Auditor-General.
7. Until the steps described in par. 2 and par. 4 of this document are completed and the annual report is tabled as required by section 127(2) of the MFMA municipality, the audit report is not a final and public document and you are therefore requested to treat it as confidential.
8. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed

.....  
Senior Manager: Limpopo

Enquiries : Baby Mathew  
Telephone : (015) 283 9330  
Fax : (015) 283 9402

# Report of the auditor-general to Limpopo Provincial Legislature and council on Makhuduthamaga Local Municipality

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Makhuduthamaga Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Makhuduthamaga Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (DoRA).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of matters**

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Material impairments/loss – receivables**

7. As disclosed in note 5 to the financial statements, provision for impairment of R107 368 911 was recorded relating to receivables from non-exchange transactions
8. As in note 53 to the financial statements, a material loss of R374 764 157 was incurred as a result of a write off of an irrecoverable debt.

### **Restatement of corresponding figures**

9. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

### **Subsequent event that occurred between the date of the financial statements and the date of the auditor's report**

10. I draw attention to note 51 in the financial statements where the municipality wrote off unauthorised, irregular, fruitless and wasteful expenditure on 29<sup>th</sup> August 2022 to the amount of R94 260 001

## **Other matters**

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited disclosure notes**

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon

### **Unaudited supplementary schedules**

13. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

## **Responsibilities of the accounting officer for the financial statements**

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

### **Auditor-general's responsibilities for the audit of the financial statements**

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## **Report on the audit of the annual performance report**

### **Introduction and scope**

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
19. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the municipality's annual performance report for the year ended 30 June 2022:



Development priority	Pages in the annual performance report
Development priority KPA2 – Basic service delivery and infrastructure development.	x – x

21. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
22. The material findings on the usefulness and reliability of the performance information of the selected development priorities are as follows:

**KPA2:Basic service delivery and infrastructure development**

**Number of skips collected at 19 villages on weekly basis**

23. The method of calculation for measuring the planned indicator was not clearly defined and related systems and process were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of skips collected at 19 villages on a weekly basis reported against a target 50 skips in the annual performance report.

**Various indicators**

24. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievements, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Indicator description	Reported achievements
No of households electrical infrastructure installed- Mamone Ga Manyaka, Mamone Mogodumo and Mamone Ga Mohlala	295
No of households electrified at Tlame and Marishane Porome	132

## Other matters

25. I draw attention to the matters below.

### Achievement of planned targets

26. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs x to x of this report

### Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of basic service delivery and infrastructure development priority. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

## Report on the audit of compliance with legislation

### Introduction and scope

28. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

29. The material findings on compliance with specific matters in key legislation are as follows:

### Strategic planning and performance management

30. The performance management system and related controls were inadequate as it did not describe how the performance planning, monitoring, measurement, review and reporting processes should be conducted and managed, as required by municipal planning and performance management regulation 7(1)

### Financial statements, performance and annual reports

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA

Material misstatements of non-current assets, current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

### Expenditure management

32. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R7 049 638 as disclosed in note 45 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
33. Reasonable steps were not taken to prevent irregular expenditure amounting to R65 727 853 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused when the supplier did not complete the local content declaration fully and municipality deliberately splitted some of the awards to avoid competitive bidding process.

### Procurement and contract management

34. Sufficient appropriate audit evidence could not be obtained that commodities designated for local content and production, were procured from suppliers who met the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5).
35. Awards were made to providers who were in the service of other state institutions, in contravention of MFMA 112(1)(j) and supply chain management (SCM) regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).
36. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e).

### Consequence management

37. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
38. Authorisation of unauthorised expenditure amounting to R26 067 770.51 was not done through an adjustment budget, as required by section 32(2)(a)(i) of the MFMA.
39. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
40. Losses resulting from irregular expenditure were certified council as irrecoverable without having conducted an investigation to determine the recoverability of the expenditure, in contravention of section 32(2)(b) of the MFMA.

### Other information

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in this auditor's report.

42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

#### Internal control deficiencies

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on reported annual performance report and compliance with legislation included in this report.
46. The accounting officer did not adequately review the annual financial statements and the annual performance report before submitting them for auditing.
47. The municipality developed an action plan to address internal and external audit findings, but the appropriate level of management did not adequately monitor the implementation of the plan to ensure that actions taken deal directly with the root cause
48. The internal policies and procedures of the municipality did not adequately address the processes for planning, monitoring, managing and reporting of performance information at an overall development priority level.
49. Non-compliance with legislation could have been prevented had the implementation of supply chain management policies and procedures been adequately monitored.
50. The internal audit unit did not sufficiently review financial and performance reports to confirm the reliability of the reports before their submission to the audit committee or external auditors.

51. The municipality did not hold performance management and reporting staff accountable for shortcomings identified during the internal and external audit processes.

*Auditor-General*

Polokwane

30 November 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected development priorities and on the municipality’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Makhuduthamaga local municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

1.